

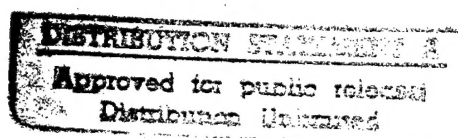
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JPRS 84234

31 August 1983

Latin America Report

No. 2733



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31 August 1983

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No. 2733

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GOVERNMENT DENIES OIL REFINERY DEFICIT

FL171327 Bridgetown BARBADOS ADVOCATE in English 6 Aug 83

[Text] Dr. Richie Haynes, Opposition spokesman on Finance and Planning, yesterday called on Government to stop publishing what he termed "misleading figures of profitability" on the sales of crude oil from Woodbourne, to the Mobil "topping" Refinery plant.

He also said that Government should proceed to implement a meaningful energy policy within the constraints outlined by the Caribbean energy experts at the request of the Heads of Government in Ocho Rios last year, and subsequently reviewed by Energy Minister in the region and the Heads of Government in Trinidad.

"At present," Dr. Haynes said, "Barbadian consumers are paying Bds\$31 million a year more than necessary for oil products and this \$31 million a year ride on the energy merry-go-round is directly attributable to the ill-advised purchase of the assets of Mobil Exploration Limited at an exorbitant price."

Dr. Haynes also included in the \$31 million the "in house" pricing arrangement with Mobil Refinery which could now demand the level of differential payment if wanted; the excessive cost of fuel to the Barbados Light and Power Company; the \$7 million tax "levied" on consumers for electricity; and the subsidy to the Barbados National Oil Corporation "to give it an appearance of profitability."

Dr. Haynes said that when all the hidden costs, such as the subsidy, the cost of servicing a \$26 million hard currency loan and so on, were taken into consideration, "the Woodbourne exercise would have to be operating at a considerable loss to the entire community."

Dr. Haynes claimed that the country paid dearly "for the 1981 oil propaganda exercise."

Government now had an ideal opportunity, he said, to implement a successful energy policy which will also go a long way towards improving the country's position in the CARICOM Multilateral Facility; strengthening the market situation for manufacturers; and reducing substantially the cost of energy to the productive sectors and to all other categories of consumers.

A senior official of the Ministry of Finance last night denied the claims made by Dr. Richie Haynes yesterday about the Mobil Oil Refinery being financial burden for the country.

The official said that the refinery had been making a profit for the first few months of its operation.

He said that Dr. Haynes; claim that the refinery was a \$31 million burden for the country was misleading.

He said that in any discussion of the Mobil purchase attention should also be paid to what alternatives the Government had at that time.

CSO: 3298/1296

DOCUMENT REVEALS INADEQUACY OF ENERGY SECTOR ORGANIZATION

Cochabamba LOS TIEMPOS in Spanish 2 Aug 83 p 5

[Text] La Paz, 1 Aug (LOS TIEMPOS)-- The Ministry of Energy and Hydrocarbons is not properly provided with an institutional infrastructure when it comes to assuming the responsibilities of such an organization as the guide, coordinator, and supervisor of all of the country's energy activities, as pointed out in the First Plan of Science and Technology and in the basic policy chapter on energy.

This important document, drafted by the Ministry of Planning and Coordination and the Directorate of Science and Technology, suggests that, when it comes to assuming the responsibility of coordination between the subsectors and the sector organization agencies, it is necessary to boost that ministry and its operations for which purpose it is necessary to create a National Energy Directorate.

"The Ministry of Energy and Hydrocarbons must create an energy-oriented scientific and technological mentality and among other things must try to supervise the nation's energy development, considering energy as only a single magnitude and getting rid of narrow sector concerns, including renewable and nonconventional energy sources as a legitimate subsector. On the other hand, it must conduct technological-energy analyses, studies, and interpretations of the statistics and it must develop specific evaluations along these lines, it must concern itself with national, regional, and zonal energy planning, and in particular, it must with special emphasis take care of the scientific and technological aspects of energy in all of its aspects so as to move the country toward an energy balance on every level, current and future."

Energy Directorate

The need for creating a National Energy Directorate is justified by pointing out that it is necessary, on the one hand, to meet the growing energy needs and to carry out the substitution of fuels on the consumption level; it is therefore necessary at the same time to face the facts of life, that is to say, the decline in crude reserves and the rise in natural gas output as well as to cover the need for heavy investments in the energy sector.

In the National Energy Directorate proposed, we must have a team of energy planners, equipped with analytical, mathematical, and theoretical tools in the

matter of the capacity of analysis and planning to come up with a quantitative and qualitative evaluation of potential future situations in the sector and to give the government efficient advice when it comes to picking adequate solutions in the economic-social, scientific, and technological fields.

On the other hand they make reference to the fact that the current situation of the ministry in institutional terms "is represented by the salary disadvantageous of its officials since the latter get a salary that is much less than their colleagues in the same job categories in the free-enterprise sector, which does not guarantee objectivity and responsibility toward the nation and society regarding the efficient and impartial analysis of the energy problem complex and the sector as a whole.

DINE, ENDE, and INER

As for the electrical subsector, the document maintains that, although it appears to be sufficient to organize on the institutional level, its participation in the national energy context must be revised in terms of defining and spelling out the responsibilities of the DINE [expansion unknown], ENDE [expansion unknown], INER [expansion unknown] and the private sector.

In view of the need for defining generation in certain parts of the national territory "the urgent need for uniform national rate schedule systems, it is necessary to implement a revision of the organizational and methodological structure of this subsector, especially in terms of studying its real situation and the importance of energy as such, not just the commercial and management aspects."

Talking about the private sector, he maintained that its institutional participation will continue to involve conflicts so long as the administration does not adequately spell out its situation with respect to the ENDE enterprise, thus postponing the financial planning of [power] generation for the La Paz area.

It is noted that there are no specific policies in the sector which would promote electrical services in areas of the country that do not have such facilities now or that would provide for the expansion of services to the rural sector.

Hydrocarbons

The document disclosed that the total proven reserves of liquid hydrocarbons amount to 20 years at current production rates; it is maintained that a small portion of these reserves is contained in the crude petroleum fields which must be worked with supplementary extraction techniques to extend their economic lifetime.

"Most of the reserves are contained in gas-bearing fields with respect to the average petroleum output. If the gas is worked, at a higher rate, at best, or if the investment or the installation of surface equipment for the extraction of hydrocarbons is delayed, then a part of them will be lost.

"The alarming aspect in the mentality and philosophy currently governing the sector in general is the lack of awareness and the lack of practical applications related to concepts of conservation and efficiency of energy conversion.

"The country's energy situation regarding the hydrocarbons subsector, which is expressed by the limitation of reserves, the drop in the output, and the rise in the demand, introduces the need for an awareness of this problem which must be taken care of through a broad education drive aimed at substitution and an adequate price and incentive policy."

5058

CSO: 3348/613

BRIEFS

DIESEL AND BUNKER OILS--The Secretariat of Mining, Hydrocarbons and Nuclear Energy has informed the Guatemalan people that beginning the first of August 1983, a change in prices of some fuels will be made, as follows: Prices are listed in Q./Gln.: superior gasoline, distributor to dealer and consumer in bulk, 1.95299; dealer (filling station to final consumer), 2.07. Regular gasoline, distributor to dealer and consumer in bulk, 1.77932; dealer (filling station to final consumer), 1.90. Diesel, distributor to dealer and consumer in bulk, 1.08068; dealer (filling station to final consumer), 1.17; Kerosene, distributor to dealer and final consumer in bulk, 1.0074; dealer (filling station to final consumer), 1.09; Bunker (C. Guate.), distributor to dealer and consumer in bulk, .066267;* The new prices are the result of the application of government measures that are oriented towards reactivating the national economy, lowering transportation and, mainly, production costs in those industries that consume diesel and bunker oils. Reductions have been brought about in prices to the final consumer of kerosene (commonly called gas) and diesel in Q./gallon, 0.1328 (13.28 cents). *Price outside the refinery. [Text] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 29 Jul 83 pp 1, 4] 9908

JAPAN SENDS REFINERY MISSION--Eng Marco Tulio Espinoza, director of mines and hydrocarbons, advised yesterday that big Japanese companies are interested in installing a petroleum refinery in our country and that their intentions over several months have resulted in a first tender. On this same subject, Espinoza added that a Japanese technical mission has been in Guatemala for several days. This mission is interested in carrying out the installation of the refinery and its members are making a feasibility study. The mission has also visited government officials and representatives of the petroleum exploration companies. He finished stating that in the next few days another similar mission will arrive which will study the short, medium and long term petroleum outlook. [Text] [Guatemala City PRENSA LIBRE in Spanish 20 Jul 83 p 4] 9678

CSO: 3248/1114

ANDEAN PRESIDENTS SIGN NEW INTEGRATION INITIATIVE

Bogota EL ESPECTADOR in Spanish 26 Jul 83 p 10-A

[Article by Carlos Murcia]

[Text] Caracas, 25 Jul--Presidents Belisario Betancur, Luis Herrera Campins, Fernando Belaunde Terry, Osvaldo Hurtado and Hernan Siles Zuazo, in the document they signed this morning at the "La Casona" [executive mansion], agreed to "overcome with solidary spirit the difficulties that the Andean group is experiencing as a result of the impact of the international crisis on the economy of member countries."

They state in the declaration that a more balanced integration is necessary in the commercial, agricultural, livestock and industrial sectors, as well as in the mechanisms for allocation of resources and distribution of benefits of the Andean process.

Following is the text of the declaration signed by the five presidents in Caracas today:

"We, the chiefs of state of the republics of Bolivia, Colombia, Ecuador, Peru and Venezuela, faithful to the mandate of unity that is the previous legacy of the Liberator; determined to strengthen integration in a framework of democracy so as to jointly face the serious conflicts of our times; faithful to the objective of achieving a non-dependent human group founded on freedom and social justice; make the following declaration:

"First: We firmly support the Andean integration process and have the resolute will to overcome with solidary spirit the difficulties that it is experiencing as a result of the impact of the serious international crisis on the economy of member countries and on limitations for the opportune application of mechanisms used in the past.

"Therefore, we have decided to give new dynamism to the integration process by renewing its aims, modernizing its action programs in the international and subregional context, and improving its mechanisms, based on the experience gained over the 14 years since the Cartagena Agreement was signed. We are convinced that strengthening Andean integration is a significant contribution to Latin American efforts to respond to the challenges posed by that crisis.

"Second: We believe that a more balanced integration is necessary with regard to the commercial, agricultural, livestock and industrial sectors, as well as to the mechanisms for allocation of resources and distribution of benefits that the process generates. New actions that are undertaken should be advanced with a pragmatic and flexible approach so as to complement long-term integration methods with other, more immediate ones of a cooperative nature that would help to overcome current problems.

"Third: We attach special importance to common external action in the international context designed to diminish the vulnerability of Andean economies by the exercise of joint negotiation power with third countries and group of countries at international forums.

"A strategy of joint external economic relations should be proposed with the medium and long range aim of improving the terms for including the Andean group in the world economic system; and, in the short term, lessening the effects of the international crisis on the economies of the subregion, especially those derived from protectionism of industrialized countries, from trade of basic products and from financing conditions.

"In carrying out the strategy, priority will be given to ties with Latin America and the Caribbean, helping to strengthen ALADI and the coordination and cooperation efforts being made with SELA. Joint external action also must seek the adoption of common positions at international trade, financing and development forums, such as GATT, UNCTAD, the World Bank, the IDB and the International Monetary Fund.

"Fourth: We instruct subregional integration organs to reach cooperation agreements with Argentina and Panama and to continue talks with Brazil and Mexico. Regarding the developed countries, we believe it is important to establish forthwith permanent ties of cooperation with Spain, the United States and European Economic Community, seeking later to expand relations toward other countries, including those with a centrally planned economy.

"Fifth: We believe that the objective of satisfying the food and nutrition requirements of the population is a fundamental principle of Andean integration. Therefore, we give special priority to the agricultural-livestock sector and we are determined to increase joint efforts to improve production, promote the development and transfer of appropriate agricultural-livestock technology, encourage trade of products from this sector and diminish the vulnerability of our economies to the world market. Larger production of foodstuffs should generate remunerative jobs in agriculture, reduce the rural exodus to the cities and help to cut down the inequalities that hurt farm workers.

"Sixth: We stress the need to advance on the formation of an expanded Andean subregion market as the best alternative to reduce the external dependence of our exporting effort. We reaffirm the undeniable will to make every effort to preserve the progress made on integration of the subregional market and to find solutions to the problems that currently affect trade development. In this regard, we express the purpose of avoiding new trade restrictions and eliminating existing ones.

"We entrust organs of the Agreement with undertaking actions designed to solve short-term trade problems, which also would tend to promote new lines of intrasubregional trade. We recognize the need to improve competition conditions by establishing preferential opportunities to subregional trade and harmonizing policy on priority matters.

"Seventh: We assert that joint industrial development is one of the substantive pillars for the integration and structural transformation of our countries' economies. Therefore, formulation of a new industrialization strategy is indispensable to make good use of the advantages of integration and to preserve the balance between the mechanisms of the market and of the allocation of resources. The strategy should take into account national programs and priorities and the areas where the Andean group can best develop industrial goods production.

"A joint industrial program is a fundamental tool to achieve equitable distribution of benefits and harmonious and balanced development of our countries.

"The primary aim of subregional action in the industrial sector should be:

"(1) Reactivation of the industry affected by the crisis, through rehabilitation, rationalization and export programs and qualitative improvement of the productive structure.

"(2) Encouraging development capable of generating jobs and new exports, and of promoting a greater degree of basic products processing and backing for industries that supply consumer goods to the most needy sectors of the population.

"(3) Adjustment or completion of already approved sectorial programs, keeping their positive aspects; and promotion of industrial rationalization, and industrialization based on complete projects, primarily through multinational Andean enterprises and cooperation in new sectors, particularly in agroindustry.

"Eighty: We note that the effects of the international economic crisis are more intense in the area of financing and external payments. Unprecedented foreign debt levels and the heavy burden that servicing the debt represents on the strong contraction of credit, has caused a drastic reduction of foreign exchange reserves in our countries and of their export capacity. All this tends to increasingly lower economic activity, employment and well-being.

"We therefore advocate increasing financing capability for investment projects and for intrasubregional trade by the expansion of CAF [Andean Development Corporation] resources, creation of new services with the Andean Reserves Fund and greater cooperation among central banks. Likewise, it is important to promote cooperation of other public and private financial institutions and mechanisms, to stimulate interrelationship of capitals and investors, and to seek foreign investments within subregional objectives and juridical standards.

"Furthermore, it would be appropriate to study the gradual establishment of a unit of account, which symbolically could be called Andean peso, to be applicable to certain commercial transactions within the subregion so as to cut down the use of convertible foreign exchange.

"Ninth: We recognize that it is indispensable to undertake a more active phase of scientific and technological development so that the subregion can progressively create its own capability to respond to the challenges posed on such matter to economic development and integration.

"Tenth: We believe that integration helps to promote better utilization of physical space. Therefore, we will devote our efforts to the development of transportation and communications so that the transmission of messages and circulation of people and goods on Andean territory can be done quickly, safely and at low cost. In the same way improvement of agreements will be pursued to facilitate tourism, free transit, making pertinent legislation harmonious, and joint negotiation for international resources to finance physical integration and provide the subregion with an immediate collective action capability to react united to natural disasters.

"As long as Bolivia does not have sovereign and useful access to the Pacific Ocean, we ratify our purpose to contribute to a solution to the problems derived from its landlocked position, by means of effective actions and the financing of projects that help to improve its physical links to the sea as soon as possible.

"We resolutely support border integration programs that seek total development of neighboring regions which share economic conditions and have a common historic and cultural heritage.

"Eleventh: We reiterate that the fundamental objective of the Cartagena Agreement is the harmonious and balanced development of member countries; therefore, the special treatment of Bolivia and Ecuador strengthens integration and benefits the subregion as a whole.

"In this regard, we reassert the desire to organize a subregional cooperation system which, through community actions, stimulates the development and participation of Bolivia and Ecuador, taking into account the experience gained and new trends of the integration process, especially through:

"(1) The assignment of specific integration projects;

"(2) The establishment and promotion of multinational Andean enterprises;

"(3) The promotion of priority exports from Bolivia and Ecuador to the subregion and third countries, guaranteeing their access to the Andean market under the terms and conditions of the Cartagena Agreement;

"(4) The support for a solution of problems which these countries are facing in the international context, particularly in the areas of trade, financing and debt scheduling;

"(5) Channeling of financial resources toward activities of promotion and preinvestment and a strengthened credit development activity by the CAR.

"Twelfth: We consider it appropriate to strengthen and consolidate the Andean institutional system and to promote growing coordination of the activities of the various organs and agreements.

"We therefore approve of efforts being made in this regard, especially of the implementation of the treaty that creates the Cartagena Agreement court of justice.

"We point out that it is appropriate to complete as soon as possible the ratification process of the Andean parliament constituent treaty, an essential organ for strengthening democratic values.

"Thirteenth: We attach great importance to the efforts that have been undertaken to give a participating character to the integration process through an active association of the groups that have a bearing on the maintenance and expansion of the social base on which the integration movement depends. This will permit new balance in the participation of management, labor, academic and political groups in the planning and implementation of common actions.

"It is therefore necessary to encourage broad interaction between organs of the Agreement and social sectors so as to give the process the desirable balance between the practical and realistic view required by current circumstances and the structural and long-term planning required by the Andean integration process.

"Fourteenth: We view integration as a new order of relations and co-existence founded on rights and we attach great importance to the preservation of the associative link by means of strict observance of obligations.

"We therefore ratify the firm will to join efforts to solve the problems generated by nonfulfillment of obligations and to guarantee to performers of the process the stability of their options and certainty of their rights within Andean integration.

"We sign this declaration in the city of Caracas on the occasion of the celebration of the birth bicentennial of the Liberator: [Signed] Hernan Siles Zuazo, president of the Republic of Bolivia; Belisario Betancur, president of the Republic of Colombia; Osvaldo Hurtado Larrea, president of the Republic of Ecuador; Fernando Belaunde Terry, president of the Republic of Peru; Luis Herrera Campins, president of the Republic of Venezuela."

9925

CSO: 3348/597

REPERCUSSIONS OF NEW ANDEAN INITIATIVE REPORTED

More Realistic Objectives

Bogota EL SIGLO in Spanish 27 Jul 83 p 5

/Text/ Whatever is done to instill real life into the Andean Pact is laudable. The advantage of integrating the regional economy has become axiomatic in our countries. If we coordinate production, complementing the individual capability of each country with liberal attitudes, we will achieve common exploitation of a potentially great market with equal benefit to all. The inducements for this are geographic similarity, spiritual affinity and ethnic origin.

In spite of all of this, the Cartagena Accord has not developed in a satisfactory way. Its implementation has been slow, often hampered by quibbles about regulations, bureaucratic misunderstandings and lack of interest at some government levels. It is this that we are now trying to correct.

At the Caracas presidential meeting, the lack of conformity between the implicit purpose of some of the measures agreed upon and the economic and social reality was singled out as the principal cause of failure of the pact. Judging by reports reaching the public, this observation is just. Under the excessive influence of theoretical formulations one forgets at times that facts are stronger than wishes. When this happens the letter of the agreement becomes inapplicable. Antagonisms surface, along with mistrust and finally enmity towards the integrationists' aim. Only common sense can enforce regulations regarding this matter.

Some of the members of the pact still feel a hypersensitive nationalism that rejects all real or apparent restrictions on the concept of sovereignty. It is not uncommon for such feelings to be used for purposes of domestic policy, with serious disturbance of the functioning of the Accord. This is understandable, but for the proper handling of the integration they should not be treated with disdain.

The integration will not be effective without the modification of those absolute principles; they are no longer so inflexible in the modern world.

The inherent generosity of the Andean community is once more evident in the wishes expressed by Panama and Argentina to join it. These countries have realized the many benefits to be derived by eliminating the useless duplication of efforts to provide the region with foodstuffs and manufactured goods when joint efforts can achieve this with less difficulty and more benefits. They also appreciate the advantages of jointly satisfying the needs of a large market. It would therefore be desirable for the integration to prosper.

Once the Andean Pact overcomes the obstacles that have stood in its way, the agreement with Mexico and Brazil now under discussion will be possible. And those that have been attempted with the European Common Market (MCE) and other international associations will be more effective. Bolivar's prophetic vision will then have been accomplished.

To succeed in this aim it is necessary to be aware of realistic principles whose neglect has precipitated just complaints; to give up unjust demands; to give up outbreaks of nationalist pride. Colombia's behaviour has been exemplary, and it is hoped that its attitude will benefit the whole continent.

The whole structure of the pact should of course be based on non-intervention in the internal politics of the member nations. We have barely begun experimenting with a great project, to which we cannot add, for the time being, any connotations other than economic ones. For this reason we also have to resist the temptation to demand from it more than what is reasonable or to rush it too much. This overload could lead it to a definitive failure.

It is reasonable to expect that the Cartagena Accord will soon succeed since member countries have agreed to the advantages and need to perfect it so that it will function well and be productive; the appropriate organizations for dealing with conflicts have been built into it; and the possibility exists of making its administration efficient and not hampered by bureaucratic excesses. The Latin American countries have proven that their own dynamism can open sure paths of progress. And their struggle will be more fruitful if it is carried out jointly.

Trade Union Support

Bogota EL SIGLO in Spanish 27 Jul 83 p 9

/Article by Raul Rodriguez: "Exchange Agreement Banishes Incertitude on the Border"/

/Text/ The Colombian private sector characterized as positive and advantageous the reorientation of the Subregional Andean Pact ratified in Caracas by the presidents of Bolivia, Colombia, Ecuador, Peru and Venezuela and which is entering into a new stage after 14 years of stagnation.

After the five Andean presidents signed the statement at the Venezuelan capital, the economic associations and the diverse labor and political sectors started making a careful analysis of the new basis for the integrationalist policy.

The president of the National Federation of Businessmen (FENALCO), Juan Martin Caicedo Ferrer, said that FENALCO gives its unconditional support to the reorientation of the Andean Sub-Regional Pact, believing that this is realistic and pragmatic, adding that the importance of integration as a strategy for economic reactivation had been reiterated.

The leaders of the federation indicated that they had returned to the initial philosophy of the Cartagena Accord and pointed out the fact that after the presidential meeting in Caracas, certain utopian programs of integration, which will be revised in the coming months, might have been forgotten.

On the other hand, in the metal-mechanical sector, particularly in the automotive industry, the decision to delay the specification of the pact that governs the automotive programs, which will be modified within the next few days with the purpose of adapting it to the realities of each country, was considered beneficial.

With the suspension of Resolution 120 of the Cartagena Accord until the end of this year, at which time the Agreement Committee should have already made the necessary modifications, the assembly of the Mazda cars by the Colombian Automobile Company and the immediate projects of the other two companies, Sofasa and Colmotores, do not seem to be harmed, and they will certainly be included in the new program.

The economic associations pointed out that the presidents of the five Andean nations have reiterated the willingness of their governments to back the policy of integration, but on this occasion with more concrete facts and objectives that will permit the implementation of the various resolutions that in the last 14 years have scarcely figured in the agreement, since their non-fulfillment has been their primary characteristic.

On the other hand, the Andean Court of Justice being now in operation, the agreement has an instrument that will guarantee the fulfillment of the resolutions by each one of the member countries, although there are certain reservations concerning the conditions under which the Venezuelan congress approved this court, because this implies inequity in relation to the rest of the countries.

Exchange Agreement

By the same token, the president of the association that includes all the country's organized businesses said that under the exchange agreement between Colombia and Venezuela, a large part of the uncertainty existing in the frontier zone, where after the devaluation of the bolivar commerce between the two countries has virtually come to a standstill, will be cleared away.

The fact that the bolivar might again be traded in Colombia, in accordance with the agreement between Presidents Belisario Betancur and Luis Herrera Campins, together with the managers of the Bank of the Republic, Hugo Palacio Mejia, and of the Issuing Bank of Venezuela, will allow the resumption of trade between the two countries.

With the establishment of differential rates of exchange in Venezuela, after which monetary difficulties forced the government of that country to devalue the currency, the frontier trade, principal economic activity in Norte de Santander as well as in part of La Guajira and El Cesar, came to a stop, with serious consequences for the population of this region, which subsequently had repercussions in the rest of the national economy, primarily for the thousands of small and medium-sized industries in Colombia that supply the frontier businesses.

The national private sector estimates that through the exchange agreement Colombia will be able to recover one of its principal markets for exports and for frontier trade, the more so since in the course of this year the national sales to that country /Venezuela/ have decreased to around 400 million dollars, which partly explains the growing deficit in the country's balance of trade and consequently the decrease in the volume of international reserves, which at the present time are below \$4 billion.

Meanwhile, in cities like Cucuta, Maicao and other small frontier settlements, there is a feeling of optimism surrounding the positive effects on trade that that will result from the exchange agreement endorsed by the leaders of Colombia and Venezuela.

Also, the creation of a monthly quota of \$3 million by the Bank of Venezuela to buy bolivars in the capital of Norte de Santander is a mechanism that guarantees normal transaction of business in the frontier zone.

Finally, the leaders of the different associations became interested in the initiative of the Peruvian president, approved in Caracas, that would create an "Andean currency", to be used in common for foreign trade by the five countries of the Andean region.

Should such a project be implemented, the intersubregional trade would stop depending on the dollar, and this would facilitate the management of exchange, to the benefit of all the countries that have joined the Cartagena Accord, which to the businessmen seems like embarking on a pragmatic and realistic course.

Joint Monetary Unit

Bogota EL TIEMPO in Spanish 26 Jul 83 p 9-A

/Article by special envoy Jose Ramon Nunez/

/Text/ Caracas--The presidents of the five countries comprising the Andean group agreed today on the basis of the creation of a common monetary unit, or Andean peso, that would gradually replace the dollar as the currency for payments in the subregion.

Thus the initiative by the president of Peru, Fernando Belaunde Terry, which he eagerly defended during the commemorative acts of the bicentennial of the birth of the liberator Simon Bolivar was welcomed.

The Andean peso will be the currency used in the future by the five countries: Colombia, Venezuela, Peru, Ecuador and Bolivia for transacting business, thus avoiding the expenditure of their scarce currencies in their common trade.

It will be a symbolic monetary unit that will in no way replace Latin American currency.

The operative mechanisms of the bolivarian currency will be defined by means of short-term conferences between the governments and the central banks of these countries.

It will be the strong currency for the subregion which will thus cease to depend on the dollar, at least for the support of the prevailing intrasubregional lines of commerce.

The basic agreement regarding this matter is the most important aspect of the Andean declaration ratified by presidents Belisario Betancur, Herrera Campins, Fernando Belaunde Terry, Oswaldo Hurtado Larrea and Hernan Siles Luazo, during their last meeting in the presidential country house of the leaders of this count .

"For us, our country is America," is the title of the declaration.

When the acceptance of the Andean monetary thesis was announced, its author, president Belaunde, could not suppress a broad smile of satisfaction as that part of the agreement was read.

The 14-point declaration reiterates the political decision of the presidents to promote the integrationist effort.

At the end of the announcement, President Herrera, whose government has been criticized for obstructing the agreement by not carrying out important commitments, said that from now on perseverance should be the basic principle guiding the subregional experiment, which became 14 years old last May.

Another thesis of the Peruvian president, the Andean highway infrastructure, was also mentioned during these negotiations.

"We will put all our efforts into the development of transportation and communication so that the transmission of messages and the circulation of goods and people throughout the Andean territory will be accomplished rapidly, securely and at low cost," the document states in this regard.

At the present time, a letter from Bogota to Caracas may take as much as a week, a telephone call is particularly difficult, and border entanglements are notorious.

Agricultural Exchange

Bogota EL ESPECTADOR in Spanish 11 Jul 83 p 6-A

/Text/ The Andean Group will adopt the agricultural and livestock trade as the fundamental basis for a new economic strategy within the region.

All five countries welcomed the initiative proposed by Colombia at the meeting of the ministers of agriculture recently held in Caracas. On his return, the minister of agriculture, Roberto Junquito Bonnet, announced that the five countries had ratified a document establishing preferential treatment for the exchange of agricultural and livestock products in accordance with the circumstances prevailing in each country.

Junquito pointed out that each country would establish amounts and volumes of production and would carry out foreign trade based on the surpluses and shortages within the subregion.

The plan was fully endorsed by the coordinating council of the Cartagena Accord.

Agreements

Among the main conclusions announced by the minister of agriculture, one that stands out is that from now on each Andean country should adapt and regulate its agricultural trade so as to adjust it to the need for foodstuffs and agricultural and livestock equipment that may arise within the group of Andean countries.

The ministers of agriculture ratified an agreement regarding agriculture, food safety and preservation of the environment. This pact will be called Jose Celestino Mutis, and next 24 July, in Caracas, on the occasion of the celebration of the birth of the Liberator it will become the official instrument among the Andean countries.

In this manner the agreement becomes the basis for the new round of negotiations of the subregional pact, after the conclusion was reached that support was inevitable for the idea of interchanging surplus agricultural production exceeding industrial indices that have not yet been established within the area.

Financing

The ministers of agriculture asked the Andean Development Corporation (CAF), with headquarters in the Venezuelan capital, to channel more resources to the agriculture sector because of the importance this will now have in the new economic policy of the subregional countries.

The Andean Corporation will serve to strengthen the Jose Celestino Mutis agreement, which will be used to take care not only of the undersupply of some agricultural and livestock products but also of the safety and quality of each country's food.

The mechanism used by Colombia for the control of hoof-and-mouth disease will be applied in the region. This includes preventive vaccination, exchange of technicians and veterinarians, as well as the provision of vaccines. The Vecol company, experienced in the use of this treatment for cattle, will participate in this project.

Quality Control

For his part the minister of agriculture confirmed yesterday that he has started preparations to establish a National System for Quality in agricultural and livestock products.

Basically there will be a single law for the creation and launching of new products in the national market. Minimum standards, types of packaging, transportation and preservation of foods will be specified.

9907

CSO: 3348/598

RESEARCHERS REPORT POSSIBLE AIDS BREAKTHROUGH

FL171407 Nassau Domestic Service in English 1200 GMT 17 Aug 83

[Text] Reports coming out of Grand Bahamas said there may be a breakthrough in the cause and treatment of AIDS. Kay Forth reports:

[Begin Recording] The Immunology Research Center here in Freeport, a center opened in 1977 with the hope of controlling the disease of cancer, may have found a breakthrough in the cause and treatment of the much talked about Acquired Immune Deficiency Syndrome, known to many as AIDS. According to the local daily, Dr Lawrence Burton at the center has developed AIDS in mice by using a brand of jelly lubricant used by homosexuals during intercourse.

The daily reports further that Dr Burton has reported success in his treatment of his first two AIDS patients. In his tests with the mice, the lubricant used in the animals produced AIDS. Talking further about the two AIDS patients, Dr Burton said the treatment was similar to that given to cancer patients, but in a much lower dose. [End recording]

CSO: 3298/1295

INFORMATION MINISTER ANNOUNCES 24-HOUR RADIO SERVICE

FL182349 Bridgetown CANA in English 2250 GMT 18 Aug 83

[Text] Bridgetown, Barbados, 18 Aug, CANA--Barbados state-owned Caribbean Broadcasting Corporation's (CBC) AM radio service will go into 24-hours-a-day programme from Monday, Information Minister Senator Nigel Barrow announced here today.

He also disclosed that from next month, the station's FM service which now rebroadcasts the AM programming, will begin testing a separate stereo system which will be introduced on a limited scale from October.

Senator Barrow said this would prevent listeners from tuning to CBC AM and switching to FM and getting the same programme.

"...This service will offer separate and different programming to that present heard on CBC AM," he said.

His comments were made on completion of a tour of the corporation's new million dollar (one Bds dollar; 50 cents U.S.) AM transmitter system.

The current broadcast hours for CBC AM are from 5.30 a.m. to 2 a.m. and Senator Barrow said he hoped that the addition of three and a half hours would not strain the corporation too much.

Senator Barrow said the corporation's programme of re-development included a new building just outside Bridgetown to house the administration and the radio services. Construction of this building is expected to begin sometime next year. He said the new building would also help to alleviate some of the space shortage at the current studios.

CSO: 3298/1296

BRIEFS

JUNE INFLATION RATE REPORTED--Bridgetown, Barbados, 12 Aug, CANA--Barbados annualised rate of inflation stood at 6.2 percent in June--1.1 percent increase over the revised May figure of 5.1 percent, a release from the Ministry of Finance and Planning said. According to the release, the indices for housing, fuel and light, and clothing and footwear declined during June, while those for transportation and education, recreation and miscellaneous remained unchanged. Over the same period, the index for household operations and supplies increased by 0.4 percent while that for food rose by 2.2 percent. The indices for alcoholic beverages and tobacco, and medical and personal care each increased by 1.7 percent. The release said the upward movement in the food index was due primarily to price increases for chicken, milk, bananas and several vegetables. However, the price of flying fish, cucumbers, limes, mangoes, green eschalot, poultry feed and meals bought away from home were lower by the end of the month. The price of sugar remained unchanged. [Text] [FL131221 Bridgetown CANA in English 1835 GMT 12 Aug 83]

RSS PERSONNEL COMPLETE TRAINING--A training programme for 34 personnel drawn from countries participating in the Regional Security System [RSS] ended in Barbados yesterday. The four-week course ended with the presentation of certificates to the participants following the fourth anniversary parade of the Barbados Defence Force. The certificates were presented by Prime Minister Mr. Tom Adams. The programme was designed to teach members of the RSS basic weapon and military training, and other tactics. Representatives were drawn from Antigua and Barbuda, Barbados, Dominica, St. Lucia, St. Vincent, Montserrat, and Trinidad and Tobago. [Text] [FL191647 Bridgetown BARBADOS ADVOCATE in English 13 Aug 83 p 1]

CSO: 3298/1296

SANJINES ON LABOR PARTICIPATION IN GOVERNMENT

La Paz HOY in Spanish 5 Aug 83 p 6

[Text] "The Bolivian Labor Confederation(COB) will not postpone any demand by the country's workers, if it should come to participate in government at decision-making levels," Oscar Sanjines, secretary general of that organization, declared yesterday.

Journalists had asked him, will the COB have to postpone some worker demands if it comes to share in the responsibility for conduct of the government?

"We will not postpone any demand. We have a duty toward our congresses with regard to important decisions and the demands of the working class, because it was for this that they appointed their leaders," he replied.

Sanjines Rodriguez, accompanied by other COB members, met with President Hernan Siles in response to the latter's invitation to the trade union organization to take part in an official commission to study "co-government."

After the audience with the chief executive, Sanjines Rodriguez said, "We found a great coincidence of views on the need to save this democratic process."

He added that the COB representative on this commission has not yet been named and that this will be decided after a meeting of the COB Executive Committee or an extended national or special congress, whichever is considered appropriate.

The leader noted that, by means of several documents, the COB has manifested the necessity of participation by the working class at high decision-making levels. However, he did not specify that this should be at the ministerial level.

He added that the meeting of the Executive Committee called for today will serve "to examine the possibility of designating ministers or simply presenting a program for achievement," since it is necessary to save the democratic process.

This program, according to Sanjines, is of an economic character, though for now "we are trying to get round this political problem." He said that, if labor leaders were incorporated into the cabinet, this would be a political step. In his opinion, "a cohesive government with a cabinet that synchronized its work could resolve the country's problems."

Sanjines Rodriguez repeated that "there is agreement on deepening and saving this process, on defeating the conspiracy, because there is conspiracy against the democratic process."

12336

CSO: 3348/607

LABOR, PEASANT GROUPS SEEK UNITY TO SAFEGUARD OBJECTIVES

La Paz HOY in Spanish 3 Aug 83 p 7

[Text] During the massive labor rally that took place yesterday on San Francisco Square in La Paz, the workers proposed "co-government," in order to guarantee the democratic process through the application of an economic-political model favoring the popular sectors and the unity of the people for the country's salvation.

The rally, convoked by the Bolivian Labor Confederation (COB), was for the purpose of protesting the rise in the cost of living, rejecting any coup attempt and demonstrating that the working class intends to deepen the democratic process until total consolidation is achieved.

The following participated in the rally as speakers: Oscar Sanjines, secretary general of the COB; Toribio Hinojosa, executive secretary of the Departmental Labor Federation; Genaro Flores for the farm workers; Felipe Tapia for the factory workers; and Victor Lopez Arias for the miners. The COB executive secretary, Juan Lechin Oquendo, was not present.

The five speakers concurred in pointing out that the only way to guarantee and extend the country's democratic process is through the preponderant participation of workers in the formulation and execution of decisions by the government.

"At this difficult time for the country, because of the deep economic crisis, division in the government leadership and threat from the reactionary Right, we workers ought to overcome our ideological differences and unite around the COB," they pointed out.

The labor leaders also paid tribute to the promulgation of the Agrarian Reform Law 30 years ago.

From the beginning of his participation to the end, Oscar Sanjines, secretary general of the COB, invoked the unity of workers to make the democratic process work, because, he said, this is the workers' task.

"While the Right unites, the forces of the people and workers divide over trivial problems," he noted in arguing that popular governments like those of Torres in Bolivia and Allende in Chile fell through lack of understanding on the part of the progressive, revolutionary, anti-imperialist and anti-oligarchical forces.

The COB is the only hope in these critical moments through which the Bolivian people are passing.

Internal differences ought to be expressed in another way and not be allowed to obstruct the path toward the democratic process, he said to those in attendance at the labor rally which included many from the political sectors.

"No one wants to shield the government. No one wants to hide irresponsibility. No one wants to cover up for immorality and for the deals that are still being made," he said.

For this reason, the Bolivian people, as the only protagonists and strong supporters of the democratic process, have to become united in order to overthrow the common enemy, which is imperialism, he added.

If President Siles does not wish to separate himself from his people, he has to adopt anti-imperialist methods and reject the conditions imposed by the International Monetary Fund. He has to do away with intermediaries, speculation and smuggling, he said.

He warned that, if the Siles Zuazo regime does not unite with the people, it will go down in history, like other governments, as simply a bunch of charlatans who offered the people a program that they did not put into effect."

He maintained that any attempt to destabilize the democratic process will meet with a general strike of indefinite duration.

"If this government cannot extend this process and lacks the ability to unite, even at the top, to resolve the nation's problems, it has to accept co-government in order to safeguard peace and the democratic process," he added.

At this rally, at which all the country's labor sectors were represented, Victor Lopez Arias, secretary general of the Federation of Miners, said that "we have to recognize that the democratic process is threatened by the action of the reactionary sectors and that there exists a weakness among the working class in facing up to and guiding the system of constitutional freedom."

He pointed out that the working class ought to take advantage of democracy to reach its historic objectives on the way to national freedom.

The factory workers' leader, Felipe Tapia, had his speech interrupted by some participants at the labor rally.

For his part, Genaro Flores, executive secretary of the Confederation of Farm Workers, said that the farm workers are fighting at the side of the COB and will apply a new agrarian reform that would give the land to those who work it.

Present at the rally were several political groups who tried to make their ideological positions prevail.

At the end of the rally, the COB Executive Committee recommended that members of the COB disperse peacefully and suspend the announced march. Despite this, some groups were led through the streets shouting their position on the political event.

Sectors of the MNRI (Nationalist Revolutionary Movement of the Left) and MIR (Movement of the Revolutionary Left) exchanged insults and, in some cases, even resorted to physical aggression.

12336

CSO: 3348/607

IMPORTED FARM EQUIPMENT REPORTED LYING IDLE

La Paz EL DIARIO in Spanish 29 Jul 83 p 3

[Text] Sectors tied to agriculture have expressed concern over the failure to use agricultural machinery which was imported at a cost of millions. It was said that the next legislative session, which is to begin on 6 August, would investigate the reason as to the delay in solving this problem which right now would be of tremendous help in the great agricultural crisis in the country.

Background

An agreement was signed in December 1980 through the Ministry of Peasant Affairs with the Argentine firm of "Puerto Norte" for importing agricultural machinery and equipment in the amount of \$50 million within the bilateral agreement between Bolivia and Argentina. Since that date, the Argentine enterprise--after complying with some of the provisions--did ship the requested machinery to the country but, in the light of some indications and interpretations regarding that agreement, these instruments, which are indispensable for agricultural work, were not used.

Machinery

The agricultural machinery imported through this procedure runs the serious risk of progressive deterioration and includes the following: 1,250 tractors, 1,100 plows, 1,000 harrows, 200 planters, 200 fumigating units, 130 harvesters, 300 trailers, 200 flat-bed trucks for cane, and others.

Losses

In the light of technical reports disclosed, it was learned that, first of all, when the above-mentioned machinery reached the country, it was believed that the "Puerto Norte" company had carried out its commitment and that it would have no further responsibility over the matter; in spite of that, due to the weather and some negligence quite some time ago, prior to the time the current authorities in this branch took over, this machinery has been practically abandoned and does not do the job for which it was imported. The situation is even more serious if we realize that the country is right now going through a

serious farm crisis and that it is precisely this machinery which could help remedy the situation through a technically adequate effort.

Various legislators are looking into this situation in order to take the proper steps as soon as the legislative chambers meet.

5058

CS0: 3348/613

BRIEFS

COB, BUSINESSMEN AT VARIANCE--In the face of private businessmen's opposition to state monopoly of sugar trading, the COB (Bolivian Labor Confederation) today reiterated its support for the said action. The COB sent a telegram to the COD (Departmental Labor Federation) of Tarija. The telegram supports the attitude of the Bermejo workers concerning the supply of sugar, and concerning the government's decision to carry out monopolization of the said product through the CBF (Bolivian Development Corporation). In its telegraphic communication, the principal workers' organization said: "The crisis in supply of this basic article, speculation in it, concealment and steep rise in prices all have their roots in existing forms of distribution and commercialization which, benefit small groups that enrich themselves at the expense of hungry people." In reiterating its support for the government's decisions on the new sugar trading system, the COB recalled that, together with the COD of Tarija, these confer the sugar trading monopoly on the CBF, on behalf of the people. The telegram bore the signatures of Juan Lechin, Oscar Sanjines, Jose Maria Palacios and Filemon Escobar. For its part, the COD of Tarija, in its telegraphic reply, likewise reiterated its support for the government's decision on the monopoly of sugar sales in the local market. The telegram in question said: "Tarija workers in regular meeting have resolved to back decree conferring sugar trading monopoly on state. We reject position taken by group calling itself Civic Committee, which is not recognized by workers. Sincerely, Sergio Gallardo, secretary general, and Antonio Soruco, corresponding secretary." [Text] [Cochabamba LOS TIEMPOS in Spanish 2 Aug 83 p 5] 12336

CSO: 3348/607

BRIEFS

SEMI-AUTOMATIC CARBINE MARKETED--A 9 mm semi-automatic Parabellum carbine gun may turn into a sales success for the Brazilian arms industry on the international market. The Ca 9 IMBEL MD1 was developed by the Itajuba Factory, a member of Ordnance Industries [Industria de Material Belico]. The carbine has already been presented abroad, having gained wide acceptance. The CA 9 IMBEL MD1, either for military or police use, can have a 211 mm barrel, which brings its total length to 770 mm. The butt resembles, as it would be expected, that of the popular FAL. It weighs only 3.8 kg. [Summary] [Rio de Janeiro O GLOBO in Portuguese 15 Aug 83 p 15 PY]

CITY RECOVERS POLITICAL AUTONOMY--Yesterday Acting President Aureliano Chaves signed decree Law No. 2,050 by which the city of Santos recovers its political autonomy, which it lost in September 1969. [Summary] [Rio de Janeiro O GLOBO in Portuguese 3 Aug 83 p 6 PY]

CSO: 3342/169

DEMOCRATIC QUALITIES, GOALS OF NATIONALISM DEFENDED

Santiago TERCERA DE LA HORA in Spanish 3 Jul 83 p 3

[Commentary by Pablo Rodriguez Grez: "Perfecting Democracy"; passages within slantlines published in boldface]

[Text] Obscure passions and disgraceful purposes have prompted certain quarters to describe nationalism as an antidemocratic movement. Both the ultraright and the ultraleft have come together in that exercise, proving once again that the extremes always touch at some point. Nevertheless, the military government (which, since its origins, has declared itself nationalist), as well as the majorities which endorse it, are uncompromisingly democratic. The uprising of 11 September 1973 possessed an ethical and political inspiration which amply justifies its *raison d'etre*. This consisted of regaining democracy for Chile and preventing the country from falling prey to international communism exported from Cuba and the USSR. /The recovery of democracy calls for a twofold objective./ On the one hand, to refine it, avoiding the establishment of a formal system which, as occurred in the past, would be little more than a mockery of a true democracy. On the other hand, to provide it with mechanisms to protect it from the buffeting and dangers to which it may be exposed because of the destabilizing actions of totalitarianism. This is the fundamental task of the military regime, and this is what the country approved in the 1980 plebiscite. /We nationalists maintain that genuine democracy requires the concurrence of three conditions, without which it is a mere outward show, an illusion without substance:/

1. /Government of law./ We Chileans, by tradition and upbringing, do not conceive that a society should be organized on the basis of arbitrariness or despotism. We recognize authority only to the extent that it, in turn, is subject to law. Similarly, we want all of our own acts to be previously authorized by the juridical norm. In the same way, the law, which determines the lawfulness of social conduct and the punishment to be meted out to the transgressor, must be applied by an autonomous judicial authority exempt from political, economic or religious pressures or influences.

2. /Origin of Political Authority./ It is likewise inadmissible that rulers be representative of a minority which dominates by means of deception, wealth, demagoguery or force. Rulers and legislators may be

legitimized by only one means: the majority popular will. The particular form whereby that majority expresses itself is not a crucial element of democracy, but it is essential that the channels which may be selected for the purpose do not distort the truth, falsifying the popular will.

3. /Respect for Fundamental Human Rights./ Finally, only that government which recognizes and ensures respect for the fundamental rights of the human person is democratic; these rights are universally acknowledged, going back to the origins of Western Christian civilization.

/I maintain that the Chilean people are democratic because these three requirements form part of their historical tradition: they are deeply rooted in the national soul and correspond with the unrenounceable aspirations of all sectors of the population, without exception./

Nationalism, to the extent that it professes to redeem and reaffirm our unique nature, rejects institutions and solutions from abroad which are not based on the innate characteristics of Chile. This is the source of its democratic orientation, which appeals to the national feeling, and this is why it is necessary to create a model which will perfect the Government of Law, which will not adulterate the popular will in the election of its political authorities, and which will foster respect and recognition of the fundamental rights of the human person.

The mediocrity of those who are satisfied with slogans and the vast ability of dishonest politicians and demagogues to deceive conspire against the perfecting of democracy. They have all refused, systematically, to analyze in depth democracy's minimal content. Avoiding the subject they achieve their main objective: to foist platitudes on us which open the way to the attainment of their mean partisan interests.

Let us not back down now. Chile is, and will continue to be democratic. Nothing will be achieved by those international campaigns which deform our reality in the interests of revanchism and retaliations, nor by politicians who dream of regaining power, reestablishing an obsolete and pseudodemocratic system.

12383

CSO: 3348/567

NATIONAL STATISTICS INSTITUTE REPORTS UNEMPLOYMENT FIGURES

Santiago EL MERCURIO in Spanish 6 Jul 83 p A 1, A 12

[Text] The unemployment rate in the Greater Santiago area reached a monthly average of 19.5 percent between April and June of this year as compared with the 19.6 percent of the March-May trimester, according to Hector Kappes, Chief of the Employment Department of the National Institute of Statistics [INE].

Between April and June of last year, the Capital region unemployment index stood at 19.1 percent, with 259,600 persons unemployed and 1,101,100 employed.

For the same period of this year, those without jobs in Greater Santiago number 284,500, while the total employed number 1,170,900.

The 19.5 percent unemployment rate breaks down to 15.6 percent persons laid off, and 3.9 percent persons seeking employment for the first time. Meanwhile, the number of persons drawing benefits from the Minimum Employment Plan (PEM) rose from 380,529 nationwide in April of this year to 396,277 for May, an increase of 15,748. The Heads of Household Occupation Plan (POJH) also recorded an increase, from 119,809 unemployed, also at the national level, to 132,449 in May of this year. Thus, as of last May, 528,726 persons throughout the country were inscribed on the PEM and POJH rolls.

According to Kappes, workers under PEM collect a monthly income of 2,000 pesos, while those on POJH are paid in accordance with four categories: Heads of Projects, 30,000 pesos; Supervisors, 15,000 pesos; Foremen 8,000 pesos, and workers, 4,000 pesos per month.

Kappes pointed out that there has been an increase in the labor force, indicating that more people have entered the labor market in search of work. Between March and May of this year, the labor force stood at 1,440,700 and between April and June it numbered 1,455,400.

In the April-June trimester in 1982 the labor force numbered 1,360,700 workers.

Unemployment by Activity

In a related development, a survey conducted between April and June of this year shows that the highest unemployment rate is found in the construction area: 41.8 percent. This is followed by manufacturing, with 21.2 percent; transport and communications, 17.7 percent; financial services, 16.7 percent; commerce, 15.4 percent; and community and personal services, 11.4 percent.

By occupational groups, the highest unemployment rate occurs among craftsmen and laborers: 25.8 percent. Farmers and fishermen follow, with 19.8 percent; transport drivers, 18.8 percent; office workers, 18.6 percent; personal service work, 15.8 percent; other artisans, 14.9 percent; and professionals and technicians, 10.7 percent.

National Survey

Kappes released the results of the latest National Employment Survey conducted by INE between November and December of last year, according to which the unemployment rate in the country reached a 19.6 percent average in that period.

Of that number, 15.4 percent were persons laid off work, and 4.2 percent represented individuals seeking work for the first time.

The survey indicated that 3,660,700 persons constituted the labor force, of whom 2,943,100 had employment and 717,600 were unemployed.

In the metropolitan region the unemployment rate was 23.8 percent during the period of the survey; in Greater Santiago, 24.6 percent; in Greater Valparaiso, 23.7 percent; and in Greater Concepcion 16.3 percent.

In Greater Santiago, there were 322,300 unemployed persons; in Valparaiso, 46,700, and in Concepcion, 25,300.

Of the total of employed persons in the country, 2,047,800 were men, and 895,300 were women, with 429,100 men and 134,400 women out of work.

Fall in Incomes

In another related development, the compensations index discloses that between April 1982 and April of this year salaries and wages suffered a decline of 16.2 percent in real terms.

In the case of mining the real decreases in payments amounted to 10.5 percent; in manufacturing, 17.8 percent; and in electricity, gas and water, 14.3 percent.

With respect to last December, a real increase of 0.3 percent in compensation in the mining industry was noted, together with decreases of 4.2 percent in industry; 4.3 percent in electricity, gas and water; 10.7 percent in construction; 1.8 percent in commerce, restaurants and hotels; 2.9 percent

in transport and communications; 4.4 percent in financial services and insurance; and 4.2 percent in community and social services.

The compensations index presented a nominal positive variation of 7.9 percent between April of last year and April of this year; however, adjusting for inflation during the period, which amounted to 28.7 percent, results in a real decline of 16.2 percent.

12383

CSO: 3348/567

TEXTILE SECTOR REGISTERS SIGNIFICANT PRODUCTION INCREASE

Santiago LA NACION in Spanish 19 Jul 83 p 19

[Text] The textile sector has recorded a significant improvement in the first 5 months of the current year, representing a distinct reactivation in that area, according to indicators of the National of Statistics Institute [INE] and figures released by the Central Bank.

INE production indices on textile product manufacture show a positive result. In fact, while the index for the period January-April 1982 stood at 35.4 percent, that for the same period of this year reached 49.4 percent, representing an improvement of approximately 20 percent.

On the other hand, the behavior of imports under the textile heading shows a significant change for the first 5 months of the year, compared with the same period of 1982.

In the period mentioned, an increase of 32 percent was recorded in the volume of textile fibers imported, that is, the raw material for the manufacture of threads and fabrics.

Likewise, a sharp drop in the quantity of manufactured textile products imported is noted. Imports of articles of clothing and accessories fell 70 percent during this period; household textiles, rugs and tapestries, for their part, dropped 80 percent, while imports of fabrics and thread went down 42 percent.

It should be pointed out that this year prices of some textile products have come down as a result of the deterioration in the quality of the products imported. In any case, activity in this industrial sector shows a clear turnaround as the result of recently implemented economic measures which have directly benefited the sector, as, for example, the establishment of tariff surcharges on certain products.

12383

CSO: 3348/567

BRIEFS

POLICE DIRECTORATE CREATED--The national police have created a national directorate of judicial police [direccion nacional de policia judicial], which is really a merging of the judicial police and the f-2. Colonel Miguel Maza Marquez has been appointed chief of the directorate. In addition, new police commanders have been appointed in three departments: Colonel Ely Mora, La Guajira; Lieutenant Colonel Carlos Ardila Dimatei, Magdalena; Lieutenant Educardo Correa, Choco; and Colonel Jorge Sanchez, Eastern Plains. [Summary] [PA241436 Bogota EL TIEMPO in Spanish 20 Aug 83 p 2a]

CSO: 3348/621

PLAN TO INVOLVE COUNTRY IN ARMS TRAFFICKING REVEALED

San Jose LA REPUBLICA in Spanish 28 Jul 83 p 4

[Text] The dirty side of Caribbean politics is extending its tentacles ever deeper in the most diverse aspects of national life and is occupying the main attention of authorities in the country who are secretly accumulating alarming data and details that are symptoms that the country can at any time take a dangerous turn that could even change the policy that it has been following related to other nations in the area.

At times, when direct participation by Cubans and Sandinists in problems that some Caribbean countries are undergoing is denounced, versions of a presumed plan which is being investigated arise that our country renew diplomatic relations with the Castro regime and that it become a bridge for weapons trafficking to El Salvador and, eventually, to Guatemala. That presumed plan, of which there are details in the Judicial Investigation Agency (OIJ), includes a real battle between spies that breaks out on our territory; the presence on our soil of known international drug and weapons dealing agents; the preparation of and attempt to carry out terrorist plans; and the organization of real international businesses with offices in several capitals, including San Jose, in order to make a mockery of the weapons blockade that Cuba supports and which it needs in order to reexport them to guerrillas fighting in El Salvador and, occasionally, in Colombia.

It is a fact that several weeks ago two members of the Cuban government, Adalberto Marrero and Roberto Marquez, were here and offered a "business" opportunity to our country, but whose true intent was to make contacts in order later to carry out the specific plans Cuba has for Costa Rica.

It is a well known secret that Cuban and Sandinist participation has converted Central America into a scene of violent armed confrontations and has unleashed terrorism. The Cubans and Nicaraguans plan to dominate Central America politically both over the short run and the long run. Eastern Bloc countries aim to expand communism beyond Havana and Managua, to the rest of the Caribbean, to the continent and to the United States which is attempting to maintain democracy in regions where democracy still exists. That situation has converted Costa Rica into an ideal bridge between the American north and south, and into a main point for forming a black market for the purchase,

sale and shipment of weapons of war. Controls--ever more intensive--that North Americans exercise in order to cut off the flow of clandestine armaments between Havana, Managua and the Salvadoran guerrilla through Honduras, including Havana, Managua and the Salvadoran guerrilla through Honduras, including maneuvers that the U.S. army and navy are about to hold with Honduras, have made our country more appealing to the fighting powers that are trying to increase their influence and their open and secret penetration into Costa Rica.

This entire situation involves Costa Rica in the war zone and makes it seem true that many of the actions against Nicaragua and the Salvadoran Guerrillas begin here, are organized on our territory, or receive the logistical support they need from Costa Rica. In that sense, the war that starts here is noiseless; the fighting is not on battlefields; rather, it is conducted in darkness, in hotel rooms, in cafes, on hidden estates, on remote beaches, in airports and in the diplomatic arena.

In recent months, with the uprising against nine Sandinist commanders, with terrorist attempts in Honduras, destabilizing plans in Costa Rica and an increase in Salvadoran guerrillas, known as weapons dealers, who have not been seen since 1979, have begun to appear in Costa Rica and Cuban attempts at starting penetrations have increased. Marrero and Marquez arrived and hinted at starting a business deal. Sugar planters were invited to Cuba to see machinery for sugar mills and for cutting of sugar cane. Some Cuban businessmen that Fidel Castro infiltrated into Panama, running business of various kinds, have extended their branch offices to Costa Rica. Those businesses, according to a written report that OIJ received, have already set up offices in San Jose and are operating with an impressive capital.

National authorities know that these companies are making efforts to buy weapons and other goods in Costa Rica because the Cuban government cannot buy armaments on its own in order not to tarnish its international image of nonintervention. For this reason the Cubans have set up companies that they and other foreigners manage, especially South Americans. They buy these weapons and then send them clandestinely to focal points of subversion designated by international communism.

In Panama City there is a corporation which appears to be a joint Panamanian-Cuban firm, established for the purpose of acquiring merchandise for Cuba that it cannot get any other way due to the U.S. embargo. This first buys weapons illegally on the international black market for later undercover distribution to guerrilla groups in Central America and Colombia. This company, according to a letter that OIJ says it received, is controlled by the Cuban ministry of interior and maintains relations with its personnel in a branch office it set up in Costa Rica.

Confidential information that this newspaper was able to get, and which is also in OIJ hands, names specific names. It was in this way that the name of a South American came to light who enters and leaves Costa Rica with different Chilean passports, numbers 14782, 16279, 64337, 64897 and 31464, none of which are registered with immigration, but which are on those listed for

persons entering and leaving the country. This person's duties include developing countacts with high officials in our government. Two weeks ago this individual was named as the owner of an aircraft that left Tobias Bolanos airport without permission. A high government official was also named as having been bribed by this individual.

According to information available to the police, the Chilean has lived in this country since 1982 and he has associates who have had problems related to trafficking in drugs for which authorities in other countries are pursuing them. This same person had to leave Panama where he had money difficulties after posing as a wealthy man. He left debts in that country of several million dollars.

Authorities in Central American democratic countries have exchanged information and are watching one of those companies which is linked in Panama to the Chilean who lives here now and who has his office in the Republican National Bank of Panama building. The office manager in Panama is affiliated with the communist party and has direct contact with Fidel Castro. Whether or not he operates through a corporation called Cimex is being investigated.

One of the Chilean partners who is cultivating friendships here with high officials and who seemingly spends his time simultaneously reestablishing contacts between Costa Rica and Cuba and to purchasing weapons is a pilot named Rodriguez, who was detained in El Salvador when he had an accident while carrying weapons in his aircraft for guerrillas in that country. At that time he was returned wounded to Panama.

Authorities are now investigating what Enrique Pretelt, Arturo Jacquirlon, pilot Eduardo Prado, Enrique Rafael Reyes, Daniel Miranda, Anibal Aizprua and Robert Norton, an American, are doing and about whom reports have been received from other countries that have asked that an investigation be started, the results of which they still do not have.

As part of all these secret actions, national authorities are watching a house in front of the Nicaraguan embassy in which, it is said, conspiracies are being hatched. Individuals with impressive backgrounds in the area of Central America attend these conspiratorial meetings in order to receive instructions. In this regard, a possible visit to that house by Cuadra and Gutierrez is being looked into. These individuals were injured when their own bomb exploded in the parking lot in front of the ministry of government building at the time when, apparently, they were carrying out an act of terrorism.

On the north border, in the Upala and Los Chiles region, the battle between spies and counterspies is clumsier and less sophisticated than the one waged daily in the capital. There they have already gone to the extreme of physical elimination and it is said that at least five assassinations have resulted from this confrontation.

Our confidential sources say that within a few days we will be witnesses to new efforts tending toward reestablishment of relations with Cuba, that tries "to soften Costa Rica's posture" in the Central American conflict and to neutralize its influence in the political solution which is being sought.

9908

CSO: 3248/1156

CUBANS AT NICARAGUAN TIPITAPA PROJECT TO NUMBER 100

Havana GRANMA in Spanish 11 Jul 83 p 7

[Article by Luis M. Arce: "Cuban Workers in Tipitapa-Malacatoya. An Agroindustrial Project of Major Importance for the Economy of Nicaragua."]

[Text] Nicaragua's minister of foreign trade, Alejandro Martinez Cuenca, met with journalists shortly after the decision of the United States government to deprive the country of its sugar quota and indicated that the tons of sugar seized from the Nicaraguan people had already been placed on the world market, and that even the production to be obtained from a new sugar mill in construction was already sold.

The minister was referring to the agroindustrial project of Tipitapa-Malacatoya, in the vicinity of Managua. It involves a sugar mill of Cuban technology which is being constructed at a cost of \$212 million and which includes an agricultural area of 20 thousand hectares, 16 thousand of them for cane.

Since technical feasibility studies were begun for the work, Cuban personnel have been at the side of their Nicaraguan brothers, and since that time, each step that has been taken in the construction of the mill, officially begun the 12th of January 1982 with the breaking of ground, Cubans and Nicaraguans have sweated together with the object of fulfilling the commitment in order for the mills to begin to grind the cane in the countryside in 1984-1985, and for Nicaragua to begin to receive the fruits of this effort immediately.

The Nicaraguan engineer Cesar Luna, who is in charge of the civil work, readily told us that the mill has not only transformed the landscape of the region but has also been shaping an attitude in an eminently collective work in which workers from Bolivia, Peru and Costa Rica participate in addition to Cubans and Nicaraguans.

The construction of the mill is proceeding at full steam, especially, according to engineer Luna, because this year marks the critical phase, that is, according to the execution timetable, the boiler housings, tandem and steam generating plant are to be ready, in addition to the sacking and water

treatment plants, the cleaning system, and other objectives whose completion by December of this year is vouched for.

Carlos Mastrapa, Cuban advisor for the investments directorate, who has been in Nicaragua since the beginning of the feasibility studies, and Adalberto Legra, advisor to the industrial installation division, also a Cuban, feel profoundly pleased to have shared their knowledge with Nicaraguan companions, whose technical capacity has made their work much easier in a country with very little experience in this sector of the economy.

At the moment of our visit there were at the sugar mill 28 technicians and workers qualified in installation, a number that would increase to 100 at the peak. This is due to the fact that the installation is being run by Cuba in cooperation with the national enterprise SOVIPE.

Moreover, the Cuban internationalists have worked on the construction of a dam of 140 million cubic meters of water that will serve to irrigate part of the cane plantations by means of a system of pivots, and they have practically completed a network of ditches and the central embankments to join the mill to the Panamerican Highway.

The work of our internationalists is highly appreciated by the Nicaraguans, as far as we were able to determine in the field, not only because of its proven quality, but because our workers and technicians have gone there to give their all so that Nicaragua may count on a modern sugar factory in record time in order to help collect the funds that the North American government has wished to snatch from the heroic Sandinist people.

12372

CSO: 3248/1146

RECONSTRUCTION FRONT ISSUES MANIFESTO

Guayaquil EL UNIVERSO in Spanish 25 Jul 83 p 4

[Text] Quito--The top leaders of the Ecuadorean Conservative Party, the Radical Liberal Party, the Social Christian Party, and the Nationalist Revolutionary Party have formed the National Reconstruction Front, whose manifesto is as follows:

"The situation prevailing today in Ecuador is the result of erratic leadership and misgovernment, of lack of ability, inexperience, immorality, and sectarianism; it is painfully afflicting the Ecuadorean people, who are caught between insecurity and misery and are being hit by inflationary spiral, hunger, and unemployment.

"The parties that historically represent the various groups that have been in the forefront of this nation's politics have openly opposed the ruinous record of the present government, have refused to enter into pacts, and have not participated in the multinational policies that have made Ecuador a field for experimentation for alien theories foreign to our characteristics and cannot remain indifferent to the suffering that wracks the Ecuadorean people. Conscious of the magnitude of the crisis and the fact that it is imperative to make the best use of our energies to face the great task of reconstructing a nation in ruins, the Conservative, Liberal, Social Christian, and Nationalist Revolutionary Parties have decided to form the National Reconstruction Front, which they join unconditionally, setting aside their legitimate aspirations.

"In the face of an election campaign designed to ensure the continuance of the government alliance garbed in the false and artful facade of the appellation center left, we offer our combined efforts to the nation so that with the majority of independent Ecuadoreans we may restore the confidence needed to put a paralyzed country on the march and begin a program that will generate new sources of employment, will raise production levels considerably, help fulfill the objectives of social justice in the full exercise of freedom, and ensure better living conditions for the Ecuadorean people. In this spirit we call on all sectors throughout the country to come to the rescue of our historical legacy--by rectifying our goals and pooling out sacrifices and courage--from those who have been incapable, and will always be incapable,

those who have mocked the hopes of the people and brought this nation to the worst and most dramatic moment in its history.

"We make this joint declaration with confidence in the future of our nation, and we pledge ourselves to work together without designs or self-seeking and to support the best options available to save and reconstruct Ecuador that we can find in the face of the dilemma of choosing between living in a democracy with freedom and falling under the domination of totalitarianism, which denies human rights and the dignity of the people."

Attorney Jose Gabriel Teran Varea signed for the Conservative Party, Dr Blasco Penaherrera Padilla for the Liberal Party, Eduardo Camigniani Garces for the Social Christian Party, and Attorney Carlos Julio Arossemena Peet for the Nationalist Revolutionary Party.

9015

CSO: 3348/585

MINR SPONSORS FEBRES CORDERO'S CANDIDACY

Quito EL COMERCIO in Spanish 21 Jul 83 p A-2

[Text] The Independent National Restoration Movement announced yesterday that it had succeeded in collecting 120,000 signatures in support of the presidential candidacy of Social Christian Leon Febres Cordero.

The announcement was made yesterday by the head of the movement, Eduardo Villaquiran, who indicated that the signatures would be delivered to Febres Cordero next Friday at a special ceremony in Guayaquil, where he will accept the nomination.

He explained that this support is only for the presidential candidacy and not for the political parties that make up the National Reconstruction Front, so long as the movement maintains the political independence of the member parties. Nevertheless, he stated that contacts are maintained with the Social Christian Party because it is Febres Cordero's party, but this is only to coordinate details of his candidacy.

Villaquiran maintained that this candidacy constituted "the promise of a better future for this country because Febres Cordero supports all those Ecuadoreans who want to work for the national good. He said that the Independent National Restoration Movement had expressed its support for the Social Christian leader not with the intention of creating a split or gaining posts in the next government; he also indicated that the candidate will choose his own running mate for the 1984 elections in accordance with present-day conditions.

He explained that the group was operating with the contributions from its members and at present it did not have any interest in becoming a political party.

At the same time Villaquiran rejected the regulation controlling election campaign publicity which has been sent to President Osvaldo Hurtado because, in his opinion, it is intended to restrict the right all citizens have of expressing their opinions in any way by limiting publicity only to the political parties recognized by law. In this situation, he said, the Independent Movement would be limited to engaging in publicity favoring the candidacy of Febres Cordero, which violates clearly stated articles of the Constitution.

9015

CSO: 3348/585

ECONOMIC PROGRAM IMPOSED BY IMF VIEWED

Quito EL COMERCIO-REVISTA ECONOMICA in Spanish 3 July 83 p 1

[Article: "The Limitations Imposed By the Financial Program"]

[Text] The financial program imposed on the Ecuadorean economy as a result of the standby loan from the International Monetary Fund (IMF) carries with it several quantitative limitations.

There are minimum and maximum limitations in the regulations for the various economic areas by periods throughout this year.

Net internal credit for the non-financial public sector has the following maximum limits: by 30 June of this year deposits of the public sector in the Central Bank must be 16.5 billion sucres over credits; by 30 September the figures must be 13.5 billion sucres over; and by 31 December 10.5 billion sucres over.

Regarding net internal credit granted by the Central Bank, which includes all sectors of the economy, limits have been set for the above three dates. By 30 June the maximum limit is 17.5 billion sucres; by 30 September 20 billion sucres; and by 31 December the maximum will be 21 billion sucres.

The international monetary reserves of this country must reach \$104 million by 30 June, \$84 million by 30 September, and \$110 million by 31 December.

Foreign loans whose amortization period is under 12 years cannot be included in the reserves.

Reserves will be pegged at 45 sucres to the dollar, and gold at \$300 per ounce.

It should be mentioned that starting in 1927 net internal credit granted by the Central Bank has been reduced only in those periods in which international monetary reserves grew substantially. As a consequence, monetization of internal origin created by this aspect has resulted in a decrease in internal credit and on several occasions negative figures were recorded.

The Most Important Problem

REVISTA ECONOMICA feels that the most important current problem is the minimum limit of international monetary reserves in view of the fact that changes made in the exchange system are not showing positive results in relation to exports.

Despite the fact that imports show a significant decline, it appears it will be difficult to attain a deficit in the current account that would allow the acquisition of monetary reserves in accord with the stabilization program.

Another important factor is the decline in the growth rate of net internal assets, especially when monetization of foreign origin has negative results, and as a consequence credit is needed to sustain productive activity, as has happened since 1927.

In addition, it should be pointed out that a large amount in deposits in the financial system of the issuing institution will be eliminated by November of this year, when the Central Bank, by its agreement with the Fund, must cover payments due abroad; these now show a balancing entry as deposits of financial institutions.

At the same time the financial sector situation demands greater participation by the Central Bank in the credit markets, as has been evident this year, once the net assets of the issuing institution move upwards. The monetary authorities have to try to limit the amount of money in circulation in order to meet the commitments made with the International Monetary Fund.

9015

CSO: 3348/585

ARA PROPOSES AGRICULTURAL FINANCING LEGISLATION

San Salvador EL DIARIO DE HOY in Spanish 2 Aug 83 pp 2, 26

[Text] The Agricultural-Livestock Reactivation Association (ARA) has suggested an Agricultural-Livestock Stabilization Law based on nine articles. It claims that a genuine, necessary reactivation will be achieved by this law. The bill reads:

"Article 1. Loans granted before this law goes into effect, to be used for the agricultural and livestock production currently in a state of abeyance awaiting payment, will be subject to the provisions of this law, which is public in nature.

"Article 2. The debtor will be obligated only for the part of the capital that he has not actually paid; and any surcharge, compounding of interest and penalty clauses that have been agreed upon or enacted before this law goes into effect are declared totally null and void.

"Article 3. Whatever the interest rate agreed upon in the original loans was, it will be nullified once this law goes into effect. The following annual interest table is established, based on the amounts shown below:

"Up to 50,000.00 colones, 3 percent; from 50,001.00 to 150,000.00 colones, 4 percent; from 150,001.00 to 300,000.00 colones, 5 percent; from 300,001.00 colones upward, 6 percent.

"Article 4. All the overdue interest earned as of the date when this law goes into effect is void, so as to effectively and genuinely reactivate the country's agricultural and livestock sectors.

"Article 5. According to this law, the term for paying the principal will be 30 years, and a 5-year grace period is to be granted, during which only the pertinent interest will be paid. The amortization of the principal will begin as of the sixth year.

"Article 6. The benefits of this law apply to those who have guaranteed the principal debtor's obligation and in cases of joint and several, or indivisible obligations.

"Article 7. If executive action has already been initiated for collection of the loans to which this law refers, the judge will stop the proceedings and lift the

respective injunction. This stoppage will not affect the competitive bidding or adjudication that may already have taken place when this law goes into effect.

"Article 8. The debtors who have refinanced their debts may receive the benefits of this law, provided such debts have been invested in agricultural or livestock activities.

"Article 9. All natural or juristic persons who have received the benefits of this law and who therefore can meet the obligations they have contracted will be recognized as subjects for credit, and in this way, without any inconvenience, may request their working capital loan, with the guarantees for their original loans serving them for these purposes."

2909

CSO: 3248/1179

ASI OPPOSES PROPOSED WORKERS' COMPENSATION POLICY

San Salvador EL DIARIO DE HOY in Spanish 2 Aug 83 pp 3, 11

[Text] The Salvadoran Association of Industrial Sectors (ASI) claims that now, more than ever, consideration must be given to the fact that improving the workers' living conditions does not depend merely and solely on legal regulations, but rather essentially on the economic soundness of business firms.

It adds that, in view of the business owners' inability to address the enormous amount of labor inactivity, there will have to be sudden closings of work centers, thereby increasing the alarming statistics of 206 business firms already shut down and 25,453 workers unemployed.

It goes on to say that no one can deny that without economic support, the most perfect social structure in any nation of the world would lack validity, significance and substance.

It claims that we must therefore lay the groundwork for our economic recovery firmly, and then make an adjustment in the social changes, which no one opposes if they are in keeping with the reality that is being experienced.

Such is the view of the Salvadoran Association of Industrial Sectors, in making its comments before the Constituent Assembly on the text of the new Political Constitution, particularly on No 11 of Article 38, which reads, verbatim:

"When the work contract is terminated for any reason, the employer is required to pay compensation to the worker or his beneficiaries. The law will regulate the manner and other conditions relating to the compensation."

Serious Consequences

Without questioning the positive quality of the social benefit per se, ASI maintains that this reform was proposed with the best intentions, but without gaging its incalculable, serious consequences.

Despite the fact that there are legal reasons for excluding this regulation from the bill, ASI expressed to the deputies its deep concern over the immediate, unpredictable consequences that the implementation of such a measure could bring for the battered Salvadoran economy.

It adds that a large number of business firms are on the brink of economic failure, owing to such negative factors as the lack of financial resources for working capital, a lack of hard currency for importing raw materials and equipment, the destruction and sabotaging of work centers, the loss of direct loans from their suppliers, a loss of their markets, the increase in financial charges and others.

It notes that now another one will have to be included: the imminent, certain decapitalization of the firms when they have to address the enormous amount of labor inactivity.

Business Owners' Responsibility

ASI questions whether the closing of more business firms and an increase in the number of unemployed will be the solution awaited by the working class to resolve the crisis stemming from the unemployment problem, and whether this would help to accomplish the plans for economic reactivation.

It goes on to say that the answer lies in the hands of the deputies.

2909

CS0: 3248/1179

NEW DIPLOMATIC INITIATIVE BEGINS WITH OAS COUNTRIES

San Salvador EL DIARIO DE HOY in Spanish 11 Aug 83 pp 3, 21

[Text] Tensions in Central America must be reduced, and for this reason, the foreign ministry is beginning diplomatic action in Latin America and Western Europe in order to achieve higher levels of understanding and political backing.

The foregoing statement was made to reporters by the foreign affairs minister, Dr Fidel Chavez Mena, who departed for the Dominican Republic at the invitation of that country's government.

He commented: "I have received an official invitation tendered by that friendly government. Basically, the goals of this visit and others that we shall be making to other nations is to achieve greater understanding and political backing from democratic regimes, such as that of the Dominican Republic."

He also said that his visit would make it possible to intensify further the bilateral relations with that country, and to lend a more expeditious quality to the trade relations, after the signing of an agreement on which the Ministry of Foreign Trade worked assiduously, forming the Dominican-Salvadoran Chamber of Commerce, with 39 members, the purpose of which is to promote and spur on industrial and commercial relations between the two countries.

The foreign minister remarked: "I also consider it important from a political standpoint to demonstrate our country's internal democratic process and the external aggression of which we are the victims, and to analyze the Central American region's problems, which I shall discuss on my visit to the Dominican Republic."

Chavez Mena said: "We have been participating constantly in the meetings with the Contadora Group, and we shall exhaust that expedient in the search for peace and a solution to the Central American problem. We must demonstrate to friendly governments the democratic process that our country has started. We must offer our approaches to the crisis being experienced in the region."

Diplomatic Action

He added: "We are certain that personal diplomacy is effective as a means of submitting or conveying a more complete view of the internal democratic process that is being accomplished here, and expressing our opinions on the Central American problem."

"With Honduras, Guatemala and Costa Rica, we have submitted a proposal for peace, which is the crux of the problem. During the next few months we shall take large-scale diplomatic action, and visit the OAS member nations. We shall take trips and engage in special missions, visiting the Latin American countries," declared the foreign policy director. He did not say whether other state secretaries would go on those missions.

He also noted: "We shall engage in a new, more aggressive diplomatic line as part of the new system of personal diplomacy."

2909

CSO: 3248/1179

FARN LEADER COMMENTS ON U.S. POLICY, NEGOTIATIONS

Managua EL NUEVO DIARIO in Spanish 14 Jul 83 p 11

[Interview with Ferman Cienfuegos, Commander-in-Chief of the Armed Forces of National Resistance and member of the General Command of the Farabundo Marti Front for the National Liberation of El Salvador, by Gustavo Ruz, in "Peoples in Conflict" column, date and place not specified]

[Text] Richard Stone, special envoy of Reagan, announced a 10-day tour through 7 countries in the region, which will include a dialogue with the Salvadoran FMLN [Farabundo Marti National Liberation Front] -FDR [Revolutionary Democratic Front]. But immediately after visiting El Salvador and Costa Rica and without having made a statement, he returned to Washington on the fourth day. Curiously his points of view were not reported by the White House but by the Costa Rican government, which in a communique declared that the meeting between the Salvadoran revolutionaries and the representative of the U.S. was not held "for procedural reasons," although Mr Stone would be open to dialogue. The failure of this latest tour as well as the recent counter-insurgency operations in Chalatenango, Morazan, Usulután and Guazapa, make one think that Reagan's time is coming to an end.... On this subject the Salvadoran commander, Ferman Cienfuegos speaks to us:

"The Farabundist Revolution Does Not Represent a Danger to the Security of the U.S."

Statements by Ferman Cienfuegos, Commander-in-Chief of the Armed Forces of National Resistance and member of the General Command of the Marti Farabundo Front for the National Liberation of El Salvador.

END [EL NUEVO DIARIO]: Special envoy Richard Stone has said he will talk with the FMLN-FDR in order for the FMLN-FDR to join in the elections to be held towards the end of 1983.

- a. Under what conditions would you hold talks with Mr Stone?
- b. Under what conditions would you participate in the elections?

[Answer] a) "The position of the FMLN-FDR, made public and picked up by the communications media of the whole world, involves direct dialogue without previous conditions with the representative and special envoy of the current U.S. administration.

"Our proposal is not limited to the upcoming elections, but dialogue regarding all substantive matters at the heart of the Salvadoran conflict, including of course the escalating intervention of the U.S. government.

"This is why we asked for an open agenda, so as not to limit discussion to one political initiative which has great and serious limitations and which in no way is a solution to the serious troubles from which our people are suffering. Though it was impossible to implement a systematic conversation with Mr Stone in Costa Rica last Saturday, 9 July, there is nothing that prevents preparing and holding upcoming interviews without preconditions, nor to prevent our being prepared and willing to seek the means suitable to the parties which will allow for the development of talks that work toward seeking a political means of achieving peace in El Salvador."

b) "The upcoming election in El Salvador has been imposed by the U.S. administration. Mr Stone traveled to San Salvador days before the arrival of the Pope in our country to inform president Magana of Washington's decision to hasten the date of the elections, which were originally scheduled to be held in March, 1984.

"This is why we believe that these elections are not part of the real solution to the Salvadoran conflict.

"The FMLN believes that two things must be taken into consideration:

"1st - The political conditions under which an election should be held which would really contribute to strengthening a pluralistic, sovereign democratic regime, do not currently exist in El Salvador.

"We are all aware that the military governments under which we have suffered since 1931 are the product of coups d'etat and of the most blatant electoral frauds. These conditions of repression and making a hoax of the will of the people are maintained and made worse by the war of extermination which the military dictatorship, with the support of the Reagan administration, has been waging against our people, which is why our participation is inadmissible in an event which does not show even the most minimal guarantee of respect for the will of the people, since even the physical integrity of the participants is not guaranteed.

"2nd - We believe the elections to be part of the national solution to the conflict, but we cannot accept terms imposed either by the U.S. or the Salvadoran government. This is not only a matter of "guarantees" to participate in the elections but has to do with something more profound, of letting the people choose freely the government most suitable to its interests. Our struggle is the product of the blindness and uncompromising attitude of the oligarchy, which blocked every peaceful means the people had to express its sovereign will. For us to be able to consider possible participation in some future elections, we would have to have considered and solved the root causes of the problem and not just pro forma aspects as is currently being attempted."

END: Is the Peace Commission a spokesman for you?

Would you discuss with it the problem of U.S. and Honduran intervention in the conflict, for instance?

[Answer] "The initiative recently announced by the Peace Commission to talk with our forces is a reply to our proposal for dialogue of October 1982 which was broadened by the 5-point document released in June of this year.

"The FMLN is of the opinion that talks must be held with all factions prepared to seek concrete means to achieve a genuine solution to put an end to the conflict.

"We consider with regard to the Peace Commission, however, that its real representation is not defined, since it represents only a few sectors, but does not represent for example the armed forces."

END: How does the FMLN interpret the establishment of the military base at Puerto Castilla? Strong Honduran opinions are being heard that ask first for the boundary line between El Salvador and Honduras to be clearly defined. What does the FMLN think about this matter?

[Answer] "The military base in Honduras is a step forward in the interventionist escalation of the Reagan administration in the region. Setting up the base not only aims at training Salvadoran and Honduran soldiers for the counter-insurgency war in their respective countries, but also the basic idea of the Republican Administration is to prepare forces for intervention in the CONDECA [Central American Defense Council], in order to attack Nicaragua and to try to stop the revolutionary processes in the region.

"The purpose of this base is also to insure the permanent presence of troops and U.S. advisers in Central America.

"The resurgence of the problem of the boundary dispute between Honduras and El Salvador is being used and stirred up by groups in Honduras bent on revenge so as to exact a price from the Salvadoran military dictatorship for the outrages and abuses of authority the Salvadoran army perpetrated in the 1969 war.

"Besides it is a price for the Honduran meddling in our conflict, for Honduras has gone to the extreme of letting its territory be used to train the troops of a foreign country.

"In the face of this "provocation" by chauvinistic factions in Honduras, the Salvadoran fascists replied that it will be necessary to define not only the border "pockets" but also jurisdiction over the Gulf of Fonseca.

"With these maneuvers, reactionary nationalist factions in either country are trying to provide grist for their own mill and distract the attention of the people from the main problem of U.S. intervention and the danger of a regional war.

"If the U.S. invades us, we will not yield an inch and we will exact a very high price, not only on the national and regional level but also on the world level."

4. END: The Salvadoran government army, at the same time it is losing regulars in combat and by desertion, is enlisting forced recruitments.

Will The FMLN be able to raise the number of its combatants to face the relative increase in the enemy army?

[Answer] "You have to take into account that the Salvadoran Army has suffered much attrition especially in the last two years. It has lost more than 4,000 troop regulars and more than 50 officers, among them the previous assistant minister of defense.

"This situation made the enemy high command resort to forced recruitment, carried out indiscriminately in the towns and in the countryside.

"This increase in numbers affects its combat efficiency and morale adversely, since it recruits boys and very young men who do not enter the ranks out of conviction or of their own free will.

"This explains the mass desertions which occur in battle, and also the large number of prisoners we take from them.

"The numerous casualties our people's army incurs on the enemy army, makes it hard for them to grow either in numbers or in quality. Likewise, our policy of respect for prisoners of war has profound repercussions in the ranks of the enemy forces, because it brings home forcefully to the enemy troops that our war is not against them, but against the high command and the oligarchs who are deluding them.

"For us, growth depends on several factors, such as weapons recovery and preparing our people for combat, as well as the gradual qualitative improvement of our commands."

5. END: No new occupations of town have been reported publicly by the FMLN, while the army is announcing preparation of counter-insurgency operatives against Chalatenango, Morazan and Usulután.

Do we face a balance or a military draw? If this were so, could it be broken in a short time?

[Answer] "The unstable balance remains in force, but since our offensive of October 1982 we have sustained the strategic initiative.

"The enemy for his part has the capacity to counter-attack, but not to launch a continual counter-offensive which would be the start of the process of their regaining the initiative they lost last year.

"Nowadays the enemy counterattacks at San Vicente, Usulután and Guazapa are trying to consolidate positions to lead the way to a future counter-offensive, but their efforts have come up against the fighting ability and morale of our forces which have dislodged enemy forces from the areas controlled by the people.

"The enemy expects to use the 3,000 regulars being trained in Honduras, in the Canal Zone and in the U.S., who it is assumed will be back in September and October. The high command and the U.S. advisers want to use them to make substantial changes in the situation in some areas, by means of the plan for strategic villages sustained on the basis of numerical superiority and the intensive use of artillery and aerial measures.

"The enemy seeks to prolong the war, which is a sign of his weakness. The attempt has been made to keep regaining one by one the FMLN war fronts by means of a scorched earth policy, the recovery of local power and forced repopulation under military control.

"That sets the army in a fight for terrain, while for us the war involves mobility, a more dynamic war.

"The army's attrition prevents the U.S. advisers from using to full capacity the elite operation force to hold battles that will change the strategic balance.

"For the FMLN, the problem is to carry out the right tactics to defeat the counter-insurgents plan, imposed by the advisers on the Salvadoran army. The enemy's efforts require time and are not feasible at short range. Time is in our favor."

6. END: Regarding the regional nature of the conflict, Reagan announced that it is preferable to pay "a modest price in Central America" rather than allow guerrilla victory in El Salvador to endanger the national security of the U.S.

How would you calculate the price the Reagan administration would have to pay for an invasion?

Would a revolutionary victory endanger U.S. security?

[Answer] "The Farabundist Popular Revolution does not present a danger to the national security of the U.S.: Reagan is a liar and a hypocrite to say that the victory of our people will be the springboard for Russian expansion. Reagan is laying a smokescreen in order to try to justify his aggressive big power intervention. The U.S. president either does not understand or does not wish to understand the historical rise of the Latin American peoples, which goes back to the struggles of Bolivar, Jose Marti, General Sandino and Farabundo Marti, whose ideal and flags are also ours.

"The political costs to the Republican administration if it invades Central America cannot be modest as Mr Reagan states.

"One thing is to start a war but it is quite another to come out of it with flying colors. The experiences of Playa Giron [The Bay of Pigs] and Vietnam, where it cannot be said that the costs were so modest, are still recent.

"Despite our willingness to seek a political solution and fight for peace, we will not yeild even an inch if the U.S. invades our country. The price we

exact will be very high, not only on national and regional levels, but on the world level, too. We do not want an invasion of our country and we are fighting to prevent it, but the answer to an invasion would be 'Revolution or death! Victory will be ours!'"

7. END: Is the change of the U.S. ambassador to El Salvador a symptom or internal conflicts? Are there considerable differences between the big shots of imperialism and among them and the dominant bloc in El Salvador?

[Answer] "The policy of extras at the U.S. embassy in El Salvador is a turnover in hiring of diplomatic personnel and of the CIA. There is no doubt that the wear and tear on the figures is due to the rise of our people, but actually changes in personnel do not mean a difference in the degree of aggression but rather the continuation of U.S. foreign policy with 'fresh faces' that every passing day will have to confront more complex and decisive situations.

"Regarding the contradictions between factions in the U.S. government and the fascist clique, we must say that Reagan is trying to settle them with the least wear and tear and confrontation.

"The Republican administration has traced a policy that tries to prevent division of the national political forces of the Right.

"A role has been assigned to each force and limits imposed on it, based on blackmail and the threat of a 'communits' victory.

"The fascists are allowed a degree of open dissidence, within the parameters of political 'openness' to the Right and Center, which of course excludes the people and their representative organizations. Reagan and the Salvadoran fascists agree in having a common enemy: the FMLN-FDR fronts. This is why Reagan needs to be allied with the sector that refuses reforms and to keep the murderer of Archbishop Romero in the government, because it guarantees him the continuity of the special war against our people.

"All the foregoing does not exclude the problems and contradictions between the administration and the fascists. Lastly, D'Aubuisson has withdrawn and has stopped attacking the U.S. government openly, but he nipped in the bud our initiative for dialogue, calling for the unity of the Right against the FMLN, which means rejecting dialogue and accordingly not meeting Mr Stone.

"At any rate, the rise of the people, the breakdown of the dictatorship and the failure of U.S. foreign policy to the region will intensify the contradictions. At least the fascists can be sure that in spite of current rifts, we will be welcomed in Miami when our revolution triumphs."

12248

CSO: 3248/1150

FINATA ISSUES UPDATE ON AGRARIAN REFORM

San Salvador EL TIEMPO in Spanish 12-19 Jul 83 p 13

[Article by Otario Amaya]

[Text] There are nearly 120,000 peasant beneficiaries of Decree 207, according to the agricultural population census, said Colonel Jose Galileo Torres, president of FINATA [National Agricultural Land Finance Company].

FINATA's projections call for reaching 100 percent of the peasant community. The above-cited census is the largest performed in our country for the purpose of identifying potential beneficiaries of the program.

The minister of agriculture, using adequate planning, a field census, an appropriate methodology, and an adequate statistical system, was able to determine that 116,000 peasants have now benefited from the provisions of Decree 207.

Galileo Torres said that new projects to motivate peasants have been initiated in order to increase the number of beneficiaries. The goal for December, 1983 is to incorporate another 20,000 peasants. As some 65,000 applications are currently on file, another 20,000 would bring the figures to 85,000 beneficiaries this year.

What do we mean by consolidation? asked the president of FINATA, in referring to the process of agrarian reform. He answered his own question by saying we must first try to insure that peasants have definitive title.

Our goal for 1983 is to deliver 9,000 adjudicated, secure titles to property, and to indemnify 1,000 former owners.

Within the financial projections on hand, he said, we have the economic resources, that is to say there is working capital on hand to pay for affected lands. In this regard, we have on hand 27.5 million colones in cash, and 27.5 million in bonds.

The Agrarian Reform is not only a matter of delivering parcels of land to peasants, but also of giving them a series of additional benefits so that the land will be worked in an appropriate manner.

We are working on a loan project with the Agricultural-Livestock Development Bank BFA, in order to serve some 44,000 peasants. In addition we are seeking to educate the peasant to become a better producer.

There are four zones where work on the projects has already begun. The first is San Miguel; the second Ahuachapán; also La Paz, in Zacatecoluca; and La Libertad.

The topic of evictions was brought up, and the president of FINATA said that they are one of his institute's main problems. And this is true not only of FINATA; it is a national problem as well. Because in the eyes of other countries evictions are seen as a step backward in El Salvador's agrarian process.

Thus one of FINATA's main preoccupations, and one of the principal problems, is trying to combat evictions by all means possible, that is evictions of peasant beneficiaries by former landowners.

On the other hand, Galileo Torres says that with the cooperation of the departmental governments, and under the leadership of the Ministry of the Interior, the necessary fines will be applied against anyone using coercion to evict peasants.

Legal actions to reinstate peasants will also be taken with the support of the Armed Forces, as set out in relevant legislation. The responsibility for levying fines will lie with the governors.

As far as new applications for land go, this year the following have been submitted: in January, 3,000 applications; in February, 3,500; in March, 700; and in April, 450. No data are yet available for May and June.

9839

CSO: 3248/1099

LAND REFORM EVICTORS WILL BE FINED

San Salvador LA PRENSA GRAFICA in Spanish 15 Jul 83 p 39

[Text] Sources at the National Agricultural Land Company [FINATA] said that land rights which peasants have been cultivating as renters or sharecroppers are fully guaranteed to beneficiaries of Decree 207.

As everyone knows, Decree 207 is an important aspect of the agrarian reform that is marching successfully forward, for it is the legal instrument that creates smallholders out of current renters or sharecroppers of tracts no larger than 10 manzanas [1 manzana is the equivalent of 1.75 acres].

In accordance with Decree 171, Article 3, private individuals and civil or military authorities who encourage or participate in invasions of lands or illegal evictions of Decree 207's beneficiaries will be subject to a fine of 500 to 10,000 colones, depending on the seriousness of the infraction. The fines will be levied by the political governor of the department in whose jurisdiction the property from which beneficiaries have been evicted is located.

Indemnification of Former Owners

It is also well known that former owners of land expropriated under Decree 207 are duly indemnified, 50 percent in cash and 50 percent in bonds against the value of the property. The bonds earn 7 percent interest from the moment the former owner signs the certificate of indemnification. Thus it is urgent that owners of land that is affected by Decree 207 to apply to FINATA for their indemnity payment, or alternatively to state their inconformity with the expropriation on the grounds that their lands are not subject to the aforementioned Decree, so they can proceed to resolve the conflict of interest.

The former owner's tardiness in applying to FINATA for indemnity payments represents a loss of money, since the bonds to which they have a right earn no interest until indemnity is applied for.

9839

CSO: 3248/1099

CONTINUED SUPPORT PROMISED TO COTTON GROWERS

San Salvador EL TIEMPO in Spanish 12-19 Jul 83 p 2

[For another article on the same subject see JPRS 84008, 29 July 1983, No. 2715 of this series, p. 75]

[Text] The sum of 161 million colones is available to finance the nation's cotton growers, said Alberto Benítez Bonilla, president of the Central Reserve Bank of El Salvador [BCR], at a press conference this morning.

In effect, Benítez Bonilla said that according to credit statistics from the financial system, it can be said that as of the present time, credit assistance has been approved for use on 56,000 manzanas of cotton for the present harvest. The financing will be distributed as follows:

23,000 manzanas through the Commercial Bank; 15,000 through the Mortgage Bank; 15,000 through the Agricultural Development Bank; and 3,000 through the Federation of Savings and Loan Associations.

The BCR's president said that toward the middle of last week, he made a tour of cotton plantations in La Carrera, in the Department of Usulután, together with the presidents of the Mortgage Bank, the Agricultural Development Bank, and the various commercial banks, in order to learn on the spot about the cotton sector, as well as certain problems which, it has been said, were encountered in this sector with respect to obtaining financing.

It was duly clarified, said Benítez Bonilla, that there have been no delays in the granting of loans except in two or three very particular cases, within the overall credit framework.

He added that with regard to these special cases--those applications for loans which have not yet been decided--work is proceeding with all due speed to study and decide them in accordance with the standards which regulate the granting of finance loans and in accordance with the urgency required by the beginning of the cotton planting season.

At this meeting, it was reported that, at the specific instructions of the President of the Republic, the necessary steps have been taken to provide the greatest possible security, so that producers in the eastern area may devote

themselves to their work in full confidence and may take advantage of the financial assistance offered for the opportune preparation of their fields, and in order to contribute to increasing national agricultural production.

During this same meeting between financial authorities and representatives of the cotton growers association, there was also talk of the interest taken by the government in facilitating the provision of electrical energy needed in the area. To that effect it was also reported that the CEL Lempa River Hydroelectric Executive Commission will install a turbine at San Miguel to generate energy for the area, and work has already begun on the civil engineering for the project where the turbine is to be mounted. With this development, the Government has reaffirmed its intent to support the population and the economy of the eastern area.

9839

3248/1099

BRIEFS

COTTON PESTS--Farmers throughout the country have publicly stated that over 50,000 manzanas [1 manzana = c. 1.75 acres] of cotton may be spoiled owing to the early arrival of the pests attacking that plant. The concern of the cotton growers, especially in the eastern and central areas, is due mainly to the proliferation of the pests at the beginning of the cotton growing season. On many plantations, heavy outbreaks of "soldier worm" and "prodenia" have already been discovered, and are seriously jeopardizing the recent cotton plants on plantations that have been raised with great sacrifice on the cotton growers' part. They claim that the foregoing situation has been worsened by the drought in the cotton growing areas, which has now lasted for over 2 weeks, increasing the danger of the pests' proliferation. To counteract the negative effects of the aforementioned factors, the government authorities involved must pay proper, prompt attention to the cotton growing sector to prevent a crisis for this crop which provides the country with so many benefits. [Text] [San Salvador LA PRENSA GRAFICA in Spanish 29 Jul 83 p 3] 2909

CSO: 3248/1179

BRIEFS

UNIFORMED BEACH PATROL ESTABLISHED--St. Georges, Grenada, 13 Aug, CANA-- Grenada is this month introducing uniformed beach patrols to reduce the incidence of harassment of visitors, Tourism Minister Lynden Ramdhanny has announced. The move by the government he said comes against the backdrop of growing complaints from tourists as well as residents about harassment on the beaches, mainly by youngsters. Ramdhanny said uniformed personnel would patrol especially the much used Grand Anse beach to discourage the harassment. The tourism minister said the patrols would be tourism-oriented and "the idea is to have these offenders talked to by these patrol men who would be on the beach." He said the Grenada Government intended to get together with these people and try and explain to them that "the negative things they are doing are having a negative impact on the tourism industry." [Text] [FL131756 Bridgetown CANA in English 1735 GMT 13 Aug 83]

CDB LOANS--Last year, CDB approved loans to Grenada totalled 2.791 million U.S. dollars, which was devoted entirely to agriculture and agro-industries. Some 2.031 million went to the state-owned Grenada Farms Corporation (GFC) and 490,000 to the government-managed Grenada Co-operative Nutmeg Association (GCNA). Of the sum allocated to GFC, 1.301 million is applied to the regional input supply scheme and one million to agricultural development. GNCA is using its loan to develop a nutmeg oil distillery. [Text] [FL131656 Bridgetown CANA in English 1626 GMT 13 Aug 83]

CSO: 3298/1297

NEWLY FORMED UNE PARTY OUTLINES ITS IDEOLOGY

Guatemala City PRENSA LIBRE in Spanish 30 Jul 83 pp 8, 59

[Text] Eleven ideological points in favor of forming the 'Equicratic' National Union (UNE) were given the newspaper by the secretary general of the organization, Enrique Rittscher Arnold.

Those ideological points which will standardize the activities of the future UNE party were made public during a civic assembly which took place yesterday where Humberto Graziano B., legal advisor to the organization, explained point by point each of its postulates.

These, aside from being the ideological basis of the 'equicratic' movement, contain the basic elements which will be proposed for inclusion in the republic's future constitutions.

The following are the 11 ideological points:

1. Observe and respect the laws of the republic.
2. Develop its activities by peaceful means, democratically respecting the rights of the remaining political organizations within an eminently pluralist spirit.
3. Respect every democratic expression and particularly those produced internally for integrating its organs and the free and democratic selection of its candidates through popular election.
4. Recognize the existence of a spontaneous order that is regulated on the basis of respect for standards of fair conduct for a better social development.
5. Respect individual liberty and encourage it as it relates to the social framework in which it comes about, so that by it one can develop responsibly as a person and member of society.
6. Abstain from any action that tends to take away the life, health and dignity of the individual.

7. Abstain from all action that arbitrarily restricts the rights of individual property.
8. Respect the principles of free enterprise and private property.
9. Abstain from any action that tends to restrict, hinder and/or limit free time.
10. Respect and carry out the republican ideology of the three powers (legislative, executive and judicial), adding thereto a conciliatory organ made up of citizen representation by election of representatives from sectors and its subsectors of socio-economic and cultural functions.
11. Push democratic promotion of marginal sectors in the populace with the view of improving life, health and opportunities for work and excelling in order to achieve their integration at all positive levels in the nation's active life.

9908

CSO: 3248/1162

VOTER REGISTRATION CONSIDERED PREREQUISITE FOR ELECTION

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 27 Jul 83 pp 1, 8

[Text] The president of the Electoral Supreme Court, Arturo Herbruger Asturias, thought the election of the Constituent National Assembly should be put into effect when the National Population Register has registered more than a million Guatemalans, so that the Assembly can have national representation.

Based on that opinion, Mr Herbruger Asturias added that the Supreme Court could stipulate a proposition or condition in the sense of when more than a million citizens are registered, that it proceed with the election of constituents, since that number would, indeed, represent a sufficient portion of people to begin a conference.

Referring to the points of view of partisan leaders, as many "new as old ones," on the election day for the Constituent Assembly, the president of the Tribunal showed that it coincides with some statements shed by government officials, in the sense that the constituent election should take place one year from now. That is to say, it should be called so that conference be held between July and August of next year, leaving the time in between, he stated, for political groups wishing to participate in the first elections will have the opportunity to improve their organization and enlarge their electoral numbers with citizens who, little by little, will be carefully looking for their place.

Anyway, the matter of dates will be a decision that should be made known shortly, he said.

9908

CSO: 3248/1162

AID CONTINUES TO REFUGEES IN CONFLICT AREAS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 18 Jul 83 pp 1, 18

[Text] The director of the national reconstruction committee, Gen Federico Fuentes Corado declared that the committee helps Guatemalans who have taken refuge in other countries, when they decide to return home, distributing construction materials, food and all that is necessary for a return to normal existence.

He added that, "likewise we take them to wherever they wish to live, if they wish to return to their land, or else if they decide to stay near one of the military posts because they feel safer but in any event"--he made clear--"we do not impose any pattern since that is something which those interested decide."

The Budget Will Be Increased to Take Care of Areas in Conflict

On the other hand, Gen Fuentes Corado advised that the Ministry of Finance has authorized 3.8 million quetzals more to take care of the named areas of conflict and all that the reconstructive process of the PAAC [extension unknown] refers to.

With this increase, the help which the committee offers to the areas of conflict fluctuates between 5 and 6 million quetzals with which the development of depressed areas are attended to. This is used especially for the 4 million people who live in the highlands, although the eastern departments are not overlooked since they can count on funds from AID [Agency for International Development] which will be used throughout the republic.

Further on, Gen Fuentes Corado stated that each day reconstruction in the highlands has been made easier due mainly to the effective combat against subversive criminal activity undertaken by the army. This is the case because previously when a truck was sent with food, metal sheets or any type of aid, it was received with a "claymore" landmine, but now resources are already arriving in the area with more ease.

9678

CSO: 3248/1114

BRIEFS

ILLEGAL ALIENS MISTREATED--Seventeen Central American citizens who intended entering the United States through the frontier at Tijuana in Mexico, were abandoned by the "coyotes," denounced to the Mexican federal police and afterwards pursued, robbed and finally, without a cent in their pockets, were left in this frontier town. Twelve Salvadorans, three Guatemalans, and two Hondurans made up the group of Central Americans, who after paying 200 and 500 quetzals, were brought to the frontier, where the "coyotes" abandoned them and then--to collect the reward--denounced them to the immigration authorities. But the misfortunes of the 17 Central Americans did not end here. Worse things were coming. After being captured they were brought to Mexican jails where their belongings were taken. According to them, in some cases, they even lost their underwear in prison. Those who wore watches or any jewelry had them taken by the Mexican authorities. The group was later taken to the Guatemalan frontier where they were to surrender their documents. But as they had been robbed, they were unable to do so. It was then that they were beaten and robbed of the little that they had left. After 3 days without food they finally arrived at this frontier town, where they were turned over to the Guatemalan authorities. And so as not to change the menu, the Guatemalan immigration authorities also beat the 17 migrants. For the Guatemalans the situation has already ended. But for the Hondurans and Salvadorans they still have a long way to go. [Text] [Guatemala City DIARIO EL GRAFICO in Spanish 16 Jul 83 p 3] 9678

CSO: 3248/1114

BAUXITE UNION CRITICIZES INDUSTRY RETRENCHMENT PLAN

FL181643 Bridgetown CANA in English 1539 GMT 18 Aug 83

[Text] Georgetown, Guyana, 18 Aug, CANA--The biggest trade union in Guyana's state-owned bauxite industry today condemned what it said was a plan by the employers--the Guyana Mining Enterprise (GUYMINE)--to retrench 1,721 of the estimated 6,000 workers.

The Guyana Mine Workers Union (GMWU) said GUYMINE should look for other ways of cutting its operating costs.

The union's general secretary, Christopher James, described the retrenchment plan as "unjustified, and an act of victimisation against those workers who had taken industrial action" to force GUYMINE to increase the number of working hours last June.

"The move definitely smacks at discrimination and it is certainly not true that it is aimed at substantially reducing their labour costs."

James said the retrenchment was likely to start next Monday. He said it would save the state-owned company 1.7 million dollars (one guy dollar; 33 cents U.S.) in wages bills, but the management had said it was losing between 12 and 13 million dollars every month.

The retrenchment plan, James said, was discussed at meetings with the workers on Tuesday night and again yesterday and it was felt that there was no justification for this course of action as other areas could be looked into to reduce operational and other costs.

James said the SMWU and the Guyana Bauxite Supervisors Union (GBSU) were convinced that there was victimisation as 169 workers from Kwakwani and 87 from Everton, in Berbice County, were being placed on the retrenchment list, while 1,466 were from Linden, the main bauxite centre, 67 miles south of here. Most of the 4,500 workers at Linden took part in the six-week strike.

James also said the retrenchment was "inconsistent with GUYMINE's assertions that it was losing skilled personnel at a rapid pace, as some of those targeted for the hatchet are skilled people."

He did not say what, if any, protest action was planned by the union.

CSO: 3298/1298

BRIEFS

NORWEGIAN DEVELOPMENT GRANT--The government of Norway will give Honduras about 1 million lempiras for technical assistance and logistical support in the rural communities of Honduras. The donation was made through the United Nations Food and Agriculture Organization (FAO) and will make possible initial development activities in various parts of the departments of Intibuca and Comayagua. The projects to be funded include reforestation, protection of woodlands, improvement of living conditions for the peasants, and other activities, in which the Honduras Forest Development Corporation will participate. Also, the World Food Program will assist specific communities, namely San Rafael and Coclan in Intibuca and San Jose and Palmital in Comayagua. If the objectives envisioned are reached, the necessary studies will be performed so that the program may be extended nationwide. [Text] [Tegucigalpa LA TRIBUNA in Spanish 25 July 83 p 34] 11989

TRADE DEFICIT WITH PANAMA--The trade relationship between Honduras and Panama has not been profitable, producing instead an unfavourable balance of payments, with more than 20 million lempiras of deficit for Honduras, and there is still no prospect for a beneficial trade exchange. For over a year, the meetings which have been held in order to bring about an increase in exports in both directions have been fruitless, and in effect the trade is not bringing much mutual benefit. The bilateral treaty which governs the trade between the two countries is indefinite in duration and does not lapse until a year after one of the two signatories renounces it. The trade continues static, and there is little chance of improvement. The relationship is based on exports of traditional products. The respective authorities point out that there are three basic problems: first, freight costs are higher enroute to Panama, which is an open market, and this puts products from Honduras under heavy competitive pressure. The second factor is the desire of Panama to sell their liquor, which is considered competition for the Honduras market and could raise the trade deficit. A third problem reportedly results from the fact that the term of the treaty is indefinite, because this does not provide incentive to businesses in both nations to seek expansion of their export trade. Honduras has open-ended bilateral trade agreements only with Panama and El Salvador. The trade pacts with the rest of the nations of Central America are renewable every 2 years, except for the one with Nicaragua, with a term of 1 year. This allows Panama to export to Honduras many manufactured products, including medicines, while Honduras continues to sell wood, textiles, manufactured wood articles and wood byproducts. [Text] [Tegucigalpa LA TRIBUNA in Spanish 25 July 83 p 56] 11989

LA ESPERANZA POWER PLANT--Tegucigalpa--A new electric power plant will be placed on line in the next few days in the city of La Esperanza, Intibuca, according to authorities of the National Enterprise for Electric Power (ENEE). The system will have a generating capacity of 315 kilowatts. At present the district's demand comprises 840 subscribers, who need 240 kilowatts. This requires the burning of 9,000 gallons of diesel per month. The new plant installed by ENEE to meet the needs of La Esperanza will reduce the cost of purchasing fuel. The system is undergoing the necessary tests previous to being put on line for the community. [Text] [San Pedro Sula LA PRENSA in Spanish 22 July 83 p 12] 11989

CSO: 3248/1150

COCEI, CHURCH INFLUENCE IN OAXACA CONCERNS GOVERNMENT

Mexico City UNOMASUNO in Spanish 24, 25, 26 Jul 83

[Articles by Teresa Gil: "COCEI: There Are Problems Over Lands and Widespread Unhappiness on the Isthmus of Tehuantepec"]

[24 Jul 83, p 3]

[Text] The problems which beset the Isthmus of Tehuantepec are related to the very ancient problem of the transoceanic route, but in addition, in the last two decades they have intensified over issues of land and increasing popular unwillingness to accept the status quo. Into this area of conflict, there came a political plan, that of the Labor, Peasant, Student Coalition of the Isthmus (COCEI), and in a parallel way, a clerical movement that supports COCEI from Christian positions.

The plan to connect the Pacific and Atlantic oceans by way of the Isthmus has existed since the Conquest, and was to materialize in the treaty of La Mesilla in 1853 when Santa Anna ceded part of Mexican territory. Article 8 of that treaty--denounced and cancelled by Lazaro Cardenas in 1937--contains the authorization by the national government for the prompt building of a wooden road and of a railway in the Isthmus of Tehuantepec, for the purpose of "assuring in a regular way the benefits of this means of communication to persons and goods from Mexico and the United States...." There is also mention of the passage of troops, munitions and diplomatic pouches with no tax to the U.S.

Later, in 1857, the McLane-Ocampo treaty, an extension of the La Mesilla treaty, never ratified by Juarez, was made.

A target for the ambitions of powerful countries not only became of the possibilities it offers for transit, but also because of its potential wealth, the Isthmus has also been a point of contention in the polemics within the framework of the political struggles which have been waged in the country since the Juarez period. Yet the political problem currently in the area is of a different nature, since, according to representative Hector Sanchez, it has to do with the worry both by the federal and state governments, that there is a prospect of their losing control over the area.

According to COCEI, the plans for development worked out by the government have been designed so far to be implemented by private capital and transnational investment, as is happening with the so-called Alpha Omega plan--which is now working in a rudimentary way, and involves trying to join the ports of Salina Cruz and Coatzacoalcos in a transoceanic route at the narrowest point in the territorial area.

Again the main problem, the problem of land, far from being solved, has become muddled by the different kinds of ownership. The specialist in agrarian matters, Arturo Warman, said that where landholding is concerned, a situation has developed unlike any other in Mexico. Here communal lands were turned into ejidos by decree, and by a second decree--both issued by Diaz Ordaz--the ejido lands were changed in turn into small private property.

In an analysis published in the GUCHACHI REZA, the researcher maintains that the agrarian reform of the 20th century has practically not come to the Isthmus, although on different occasions the indigenous communities which had been dispossessed during the last century initiated proceedings to recover their lands. But none of these trials was concluded.

Under such conditions, many of these lands were reported by or given away to individuals, who by paying taxes and so-called peaceful occupation obtained illegal titles to property. Including during and after the building of the Benito Juarez dam, these private persons exercised pressure on the government to have their property titles recognized.

[25 Jul 83, p 2]

[Text] The problems besetting the peasants overburdened with taxes led to the founding, in 1974, of the Labor, Peasant, Student Coalition of the Isthmus. Before the growing obstacles that caused local bosses, land-grabbers and profiteers to secure claims, the organization formulated political plans for the recovery of land; thus its first act was to repudiate the ejido commissariat.

That same year, by decree, the ejido of Juchitan was founded from Juchitan community lands; the property was divided into two parts: one, a 40,000 hectare high-rainfall area, which is completely in the hands of the peasants, and another irrigated area, 75 percent of which is monopolized by private owners, who registered it formally as private property. In the light of this situation, COCEI asked for protection which it has not been able to negotiate because the district court maintains that it is necessary to notify personally each one of the 9,000 peasants who requested it.

With a leadership originally made up of 20 persons--10 students and 10 peasants--COCEI is directly confronting the policy of the parties in the Isthmus: the PRI [Institutional Revolutionary Party] and the PPS [expansion unknown].

Including when it participated in 1974 in the municipal chairmanship, both parties united against it and it did not obtain recognition of its votes.

Meanwhile, the strength of COCEI started to extend throughout the region. Several organizations became affiliated simultaneously, and its struggles became broader. In 1976 it was joined by the Alvaro Obregon ejido and shortly afterwards by the Charis ejido, which, when it was started, was a shock force against COCEI. In 1978, the organization participated in the elections by supporting major Leopoldo de Gives, who later was imprisoned in the military camp.

In November, 1980, COCEI participated in the municipal elections by supporting the Mexican Communist Party ticket. The ticket lost due to electoral fraud and this stirred up the population. In the face of the violent climate, the government decided to hold new elections and, in March, 1981, COCEI won the municipal chairmanship of Juchitan.

Now, six other municipalities in the region--San Miguel Chimalapa, Ixtepic, Xadani, Ixtaltepec, Salina Cruz and Xalapa del Marques--are run by COCEI.

In the Asuncion Tlacolulita region, the settlers are making the same political claims even though they do not belong to the organization. A member of the Coordinating Plan of Ayala, COCEI is likewise extending its influence up to the Triqui area of San Juan Copala, where it cooperates with the Triqui Movement of Struggle and Unification.

This extension of COCEI's influence is of great concern to the government, the director of the House of Culture, Macario Matus, declared to this newspaper. He stated that there is an attempt underway to eliminate some of the COCEI leadership. He mentioned with this in mind the cases of Regional Technological Institute. Nine students belonging to the organization were expelled from this institute. He also cited the failure to recognize the Upper Normal School of the Isthmus and the Preparatory School of the People. Finally he cited the attempt to remove Macario Matus from the House of Culture and the recent attack on some Juchitan intellectuals, among them Francisco Toledo.

Constant harassment is also being used against the municipality. This includes withholding subsidies, hindering the proceedings for the recovery of lands or the leveling of salaries, and the refusal to allow an ejido commissariat to be named.

According to Matus, the government, in addition to its need to recover power, is also concerned about an alleged guerrilla organization having its headquarters at the Alvaro Obregon agency, a situation flatly and forthrightly denied by the leaders of COCEI. Actually, the allegation is a means of creating tension in the Isthmus by relating its conflicts to those of Central America, so as to justify repression, they said.

However, the taking of lands at La Ventosa on Sunday, 17 July, was viewed here as a way of broadening control by the state's police forces, which have been guarding the main local factories since last May. Besides, the purpose of the anti-gun campaign started by the state government, and which affected even the municipal police, is to leave COCEI unprotected and at the mercy of the local constabulary, say the spokesmen of the coalition.

The cleared out properties are part of the ejido of Juchitan, but have been used as private property by Pedro Gutierrez Roncaglia, who also owns lands in San Luis Potosi, Salina Cruz and other places, where he is sustaining conflicts with Land and Freedom.

The PRI representative, Rene Marques Subervielle, acknowledged to this paper that two of the issues his party is attempting to resolve in the region are that of local bossism and the cornering the real estate market.

[26 Jul 83, p 2]

[Text] The arrival of Bishop Arturo Lona Reyes in the diocese of Tehuantepec posed the need, in 1971, of achieving a diocesan objective related to the poor. Spokesman of the diocese stated at this point that after several formulations, the Church of the Isthmus decided to work in a parallel way with COCEI, because it discovered that its aims were coincidental.

The diocesan objective released in 1979 and which appears on a plaque in one of the halls of the local cathedral, says the following: "in solidarity with the poor, [we propose] to form dedicated groups that will work to make the people committed through evangelization. [We propose to work toward] a new model of popular church that will lead to the creation of a new man and a new society, in expectation of the kingdom of God."

The archdiocese of Arturo Lona Reyes shares the Oaxaca territory with the archdiocese and another diocese. But the commitment of the Church in the Tehuantepec area, which has now gone beyond the mere theory of the diocesan objective and is putting into practice its pronouncements, in most recent months has occasioned a campaign of disparagement against the ecclesiastical demarcation.

Likewise, the accusation of the archbishop relating to the murder of the subdirector and a secretary of Number 4 Preparatory School of Tehuantepec, the true culprits of which were found later, has left in suspense the campaign against the committee clergy, but the attempt is still being made to involve the Church in false charges, it was reported.

This event, which occurred last 18 November, had been preceded by a campaign of libel, slander and insults against Lona Reyes by the leadership of the school, where he was being accused of acting as a consultant to the student body. On the day of the events in question, the bishop was at a meeting with his peers in Mexico City.

The campaign of disparagement is also related to the active participation the popular clergy has sustained in the conflicts in a few municipalities like San Miguel Chimplpa, on which the authority of the PRI was imposed. The bishop also looks after the organization of consumer cooperatives in several communities, promotes acts of solidarity with the Central American refugees and supports the peoples of the region in their daily struggles.

A document released by the dioces last February states that "we attribute the misinterpretation of these occurrences at Number 4 Preparatory School to certain groups whose economic and political interests are affected, and who intend to reduce the Christian faith and the pastoral action of the Church to the precincts of the churches."

The information given to this paper made it clear that the diocese is against no one: "Because God is for everyone," but that those who have abused their wealth and have monopolized the lands and goods of the poor must repent and return them."

12448

CSO: 3248/1167

SECOFIN FINES PRICE VIOLATORS

Mexico City in Spanish UNOMASUNO 1 July 1983 p 8

[Article by Victor Manuel Juarez]

[Text] During the first 6 months of this year, the Secretariat of Commerce and Industrial Development imposed more than 240 million pesos in fines, and closed some 3,900 commercial establishments, mainly for violating official prices of food staples.

On another count, SECOFIN proceeded to consolidate demand for medications and treatment supplies in the health sector, representing 1.267 billion pesos for the second half of the year. In a round of competitive purchasing, 227 categories from the basic medications matrix were included, and shipments were issued to the SSA [Secretariat of Health and Assistance], the IMSS [Mexican Social Security Institute], and the ISSSTE [Institute of Social Security and Services for Government Workers].

Continuing price increases and speculative maneuvers were the main reasons for sanctions imposed by SECOFIN. Hoarding of food staples and violations of official prices and weights and measures were also punished.

In the Federal District and metropolitan area 618 stores were closed, while 3,282 were shut down in the provinces. Fines totaled 76 million pesos in Mexico City, and 164 million in the country's interior. The main commercial enterprises affected were variety stores, bakeries, tortilla factories, dairy product stores, and automotive service establishments.

Branch programs to protect, inform, and educate the consumer, coordinated by SECOFIN, INCO [expansion unknown], and the PFC [expansion unknown], will be continued throughout the country in order to prevent abuses by producers and merchants that would affect the purchasing power of workers and the disadvantaged classes, according to ministry sources.

Medications

In other matters, SECOFIN indicated that, based on the powers granted to it by the Law on Acquisitions, Rentals, and Warehouses of the Public Federal Administration, the Secretariat proceeded to consolidate demand for medications and

treatment supplies in the health sector, representing 9.267 billion pesos for the second half of this year.

Some 99 firms from the chemical-pharmaceutical industry took part as purveyors, and some 98 were assigned orders. Some 68 percent of the value of these purchases was channeled to domestically owned laboratories, and another 32 percent went to businesses in which a majority of the investment capital is domestic.

9839

CSO: 3248/1071

OFFICIAL ADVOCATES NEW RURAL DEVELOPMENT MODEL

Mexico City EXCELSIOR in Spanish 26 June 83 pp 1, 9, 11

[Article by Armando Sepulveda Ibarra]

[Text] Lack of organization among the various agricultural agencies and central agricultural workers' organizations have disjointed the peasant movement. In the rural environment there is a historically cumulative lag in investment, public structure, and social and private development. As a consequence, we need a different model, said yesterday Antonio Tenorio Adame, director of the Center for Historical Studies of Mexican Agrarianism [CEHAM].

The countryside should be approached with an overall, universal program, instead of with a particularistic focus, said Tenorio Adame in an extended interview, during which he censured the lack of unified leadership. Different authorities deal with land tenure, production, water, and other aspects of the countryside.

He attributed conflicts in the rural environment to the lack of development and investment, and asserted that the peasant is the last link in the chain of social exploitation as a result of poor organization, insufficient support, and the obsolete structure of trade in agricultural products, to whose markets the peasant has no access.

"They are so far from the market that they have no power to negotiate, either socially or commercially," emphasized Tenorio.

Tenorio Adame, former federal deputy for the district of Tehuacan, Puebla, said that the Agricultural Cabinet is an approximation to an overall program, but its regulatory character is limited, and it lacks the comprehensiveness needed by a structured agency capable of unifying peasants.

And it should have organizing power that is autonomous with respect to the market and the government, free of the timid attitudes that would put it on a par with submissive peasants, he said in referring to an ideal program for the countryside.

Private Agriculture

Tenorio Adame said that the private sector has shown itself capable of stimulating the export market, especially in the Northwest, with its produce, and in other, cotton and coffee producing areas. But its attitude is more oriented toward self-interest and profits.

What would be interesting in a national agricultural program would be for the rural businessman to divide his loyalty between guaranteeing the nation's food supply and insuring his personal benefits, he said.

Tenorio Adame, who is a university professor and the author of several books on rural problems, commented that private agricultural interests have picked up the most significant technological developments, and have had greater opportunities to capitalize their holdings, but they have not developed their own credit institutions, nor is their current rate of investment adequate.

He explained that cattle franchises granted by President Cardenas and justified on the basis of insufficient credit and the low employment rates that would result if such lands were turned over to the ejidos, were derailed when they turned all their energy to exports to the United States: "They became pastures for feeding U.S. citizens."

The intent of the Cardenas regime, he said, was to improve Mexicans' nutrition by increasing cattle production through intensified activity.

"The cattle raisers have not developed at the pace our country requires. Their investments have been minimal. They have only continued a practice of extensive production, based on the argument that if they increase the number of head they raise, the government will take them over."

Tenorio Adame specified that ranchers have directed their investments toward other, speculative ventures, thus demonstrating their lack of organization and business spirit. And now, in addition, they find themselves divided.

He further remarked that since the arrival of the Spaniards, cattle have been the origin of the great landed estate in Mexico. Hides were the basis of the first commercial contacts with Europe.

Costly Protein

Tenorio Adame declared that the dispute between the agricultural frontier and the cattle frontier, between feed lots and food lots, is part of the nutritional conflict and waste of the Mexican diet. Thus the cost of protein from bovine cattle has the highest social cost, is the most expensive, and is the most difficult to obtain.

He proposed that cattle industry surpluses be identified through field research in order to direct them toward agricultural purposes. Also, areas now in the hands of private parties and considered part of the national territory should be defined, mainly along the country's southern border.

In that area, a solution, an agrarian reform, is urgently needed before the "Southeast goes up in flames." Here a colonial atmosphere still prevails: "Mazariegos still dominates Chiapas," he pointed out.

He stated that the current regime's rural programs are realistic, but limited in scope due to the lack of resources. There is a greater sense of economic rationality and responsibility in current works projects.

In the case of water costs, the authorities now require that a project be self-financing, but establishing average market costs or earnings is not everything. There should also be social criteria and considerations of national strategy and nutritional security. Irrigated land must take part in the production needed by the country, before producers turn such lands over to exotic crops or exports, demanded Tenorio Adame.

27 June 83 pp 1, 17, 31

[Text] Government neglect, lack of supportive legislation, and antagonistic campaigns led by large landowners led to the failure of almost all of the 471 collectivized ejidos created by President Cardenas, said Antonio Tenorio Adame, director of CEHAM.

He said that smallholders grants under Avila Camacho and reforms to agrarian legislation during the presidency of Miguel Aleman "were the downfall of rural collectivism."

A little over 40 years after receiving land grants totaling 340,647 hectares, the ejidos are now weak and unproductive, with the exception of the 3 or 4 in La Laguna and Michoacan that successfully overcame the lack of government support and aggressive attacks against their form of land tenure.

Tenorio Adame nevertheless emphasized that there is no other option for the countryside than to organize peasants based on collective forms of solidarity, and cooperation is the only means to bring justice to the producers by increasing their harvests and incomes, in order to attain higher levels of productivity.

He proposed reforms in the collective character of the ejido, and stimulation of the ejido with those factors of production, such as credit, water, and fertilizers, to which the ejidos had insufficient access following their creation under the Cardenas regime.

He mentioned that personal selfishness, individualization, and market conditions also influenced the dismemberment of these agricultural nuclei.

President Aleman

Tenorio Adame indicated that beginning with President Aleman's regime, the countryside began to suffer official neglect and lose support as the government decided to give greater impetus to industry, and was lost from sight in favor of the economies of scale.

Over the course of time, transnational companies were able to "take over the Mexican countryside," both in the sale of supplies and in monopolization of products.

Agro-industries demonstrate on the one hand that the rural environment is productive, and is a good business risk. On the other hand, nevertheless, "we see the despoliation and poverty of the producers," said Tenorio Adame.

He also said that the reasons for requesting that the government nationalize the food industry emerges from the fact that only the State has the financial power to displace the hegemony of foreign enterprises entrenched in this country.

"This is where the State should come in, since it draws the line at being a landowner. If the industry were in its hands and those of the producers, peasants would have higher incomes, and would receive fair payment for their work."

He said that after 40 years of incentives to industrial expansion "without achieving development," policies are required that will give priority to the countryside, in the understanding that it is essential to solve the country's food problems.

He declared that the world powers have turned food into a "weapon of genocide." Their food surpluses are "applied in order to blackmail and win allies, or in order to punish enemies of the residents of the White House," he specified.

He suggested that an end be put to support for urban and industrial development, which depends on foreign financing, and that instead development be initiated of nutrition, social welfare, regional equilibrium, economic autonomy, and social stability.

"We should put the countryside, instead of the automobile, at the center," he said. He added that decision-makers are stunned, and their first steps in this direction are experimental, but they lack security and conviction, perhaps because "they think there is still time to try again."

Tenorio Adame warned that opportunities have run out. "There is a risk that the conflict (the crisis) will spill out of the bounds of negotiations and end in violence."

The State has acted prudently and has sought to govern society; it has listened to dissent, and respects it constitutionally, but what is missing is a response, and perhaps explanations, he pointed out.

He commented that the National Development Plan [PND] sets priorities for the countryside, but pays more attention to reducing inflation, in view of the fact that the country's main problem is the lack of resources.

He recalled that the rural environment is always, during periods of crisis, as in 1929 and 1933, the motive force behind development and a basis for solutions, which is why it should have unconditional support.

9839

CSO: 3248/1071

INTELLECTUALS CONFERENCE CRITICIZES U.S. POLICIES

Managua BARRICADA in Spanish 19 Jul 83 p 5

[Text] The Intellectuals Conference on Central America, held in Managua from 12 to 18 July, yesterday strongly condemned U.S. Government intervention in Central America, especially its brutal aggression against Nicaragua where it has unleashed a gigantic crime machinery.

At the close of our edition yesterday, more than 200 intellectuals and artists, including writers, painters, poets, social scientists, humanists and theologians were still preparing to discuss and approve the Conference on Central America final document, called "Managua Declaration." However, BARRICADA was able to obtain the most important aspects of the draft final resolution.

The conference also condemned the United States for its involvement in the genocide being committed in El Salvador, for the massacres that the Guatemalan people are experiencing, and for the Yankee intervention in the virtual military occupation of Honduran territory where military bases are under construction to promote fratricidal conflicts.

Convened by the Sandinist Association of Cultural Workers (ASTC), intellectuals and artists from Canada, the United States and various Latin American countries spent 5 days discussing the current serious problem of the Central American regime, basing themselves on extensive information on the past and recent history of the Central American nations.

They examined, considered and discussed information they had received and expositions put forward, and then confirmed the truth of the acts of aggression against Nicaragua. The conference then condemned the invasions of Nicaraguan territory by foreign mercenaries and former Somocist guardsmen, as well as the actions of sabotage of the national economy, cuts of quotas [presumably sugar] and credits, and terrorist actions of all sorts.

The document likewise condemns the espionage war designed to hurt the life of the people in all its aspects, and the indulgence of neighboring countries' government sectors that support the aggressive plans and actions against the Sandinist revolution.

The conference denounced with serious concern the possibilities for aggravating the Central American situation, which would begin with increased actions of invading forces, without losing sight of the real threat of a more direct participation of the Honduran Army and of the United States itself.

The final resolution also charges that the United States is directly responsible for all actions against the right to life and self-determination of the Nicaraguan people in particular, and of the Central American people in general.

Furthermore, the more than 200 intellectuals, humanists and theologians of the continent support all efforts being made within the framework of the Contadora group initiative and of the UN Security Council, which Nicaragua supports, to find a political solution to the crisis in the region.

In this regard, they appeal to the nations and governments of the world to become aware of the current serious situation on the isthmus and to develop all possible forms of struggle to help prevent expansion of the war.

All the conferees pledged to develop an action plan to each of their countries and help disseminate the appeal and to support all efforts being made to stop the war.

They expressed their support for the just struggle of the Central American nations, and especially for the Sandinist people's revolution. They also pledged to hold national conferences on Central America to warn of the risks involved and to generate an entire movement of public opinion to help stop plans of new acts of aggression.

9925

CSO: 3248/1154

ARDE STATEMENT ON FSLN PROPOSAL, CANCUN DECLARATION

San Jose LA REPUBLICA in Spanish 22 Jul 83 p 10

[ARDE Revolutionary Directorate paid announcement: "ARDE's Position Regarding FSLN Proposal of 19 July 1983 and Cancun Declaration"]

[Text] The Democratic Revolutionary Alliance (ARDE) and its organizations on countless occasions have reiterated their willingness and readiness to a dialogue to seek a worthy political solution, with guarantees, to the Nicaraguan problem. We have repeatedly asserted that there will be no peace in Central America without peace in Nicaragua. We have always called for peace and this is reflected in the 19 agreements of the Discussion Forum of National Problems of 27 July 1981: in the Proposal for Political Solution of 23 March 1982; in the Proposal of Peace in Nicaragua for Peace in Central America of 24 January 1983; in ARDE's position at the Socialist International meeting of 17 March 1983; in ARDE's position before the Contadora group [Colombia, Mexico, Panama and Venezuela] on 19 April, 11 and 23 May and 13 July 1983; in the definition of Our Revolutionary Position of 1 July 1983; and in the ARDE Declaration of 7 July 1983.

ARDE maintains its faith on dialogue as the most effective means toward thorough solutions to the national problem. Therefore, it has examined the FLSN [Sandinist National Liberation Front] proposal of 19 July 1983, and points out the following:

1. Not only government, but also belligerent groups must be included in multilateral negotiations in Central America because, in addition to the East-West confrontation brought to the region by Cuba and Nicaragua, internal problems exist as a result of unfair socioeconomic and political conditions and human rights violations.

In the case of Nicaragua, the FSLN government should fulfill the resolutions of the 17th OAS Foreign Ministers Consultative Meeting and the original government program so as to bring back internal social peace in Nicaragua and, consequently, peace in the region.

2. The Contadora group should develop the necessary mechanisms to organize international committees that will act as mediators, trustees, guarantors and arbitrators between the parties.

3. All agreements shall be compulsory, subject to supervision of these international committees.

4. Commitments should cover:

(a) Ending every situation of regional aggression by means of a nonaggression pact among Central American and Caribbean countries as well as between these and the United States.

(b) An absolute end to all foreign intervention in the domestic affairs of Central American and Caribbean countries, in terms of military advisers, military support, supply of arms, training and foreign troops and units; as well as to the use of Central American and Caribbean territory to launch any type of aggression against governments legally constituted under democratic electoral processes or that are clearly headed toward such constitution in a short period of time in agreement with the internal opposition and belligerent forces.

(c) Absolute respect for self-determination of the Central American and Caribbean peoples, freely, voluntarily and sovereignly expressed through universal suffrage. Unrestricted freedom of speech and prevailing human rights are an indispensable condition for this.

(d) Effective resumption of economic cooperation of western countries with Central American and Caribbean countries, and initiation of equal cooperation from socialist countries, without any type of condition, except to build and establish democracy with human rights in force.

(e) Withdrawal of present and rejection of future foreign military bases and enclaves and military exercises in Central American and Caribbean countries.

5. The commitments should also cover the agreements proposed in the Cancun Declaration which the FSLN does not include in its proposal in a tactical maneuver to gain time to drive the Nicaraguan people to totalitarian slavery under a false international peace, since there will be no peace in the region without peace in Nicaragua.

Upon examining the FSLN proposal in this manner, and receiving the Cancun Declaration with a revolutionary and democratic spirit, we hope that mechanisms are established for its immediate implementation in keeping with the urgent need of peace in Nicaragua for peace in Central America and the Caribbean.

Central America, 20 July 1983

WITHOUT TOTALIARIANISM NOR RETURN TO THE PAST!
DEMOCRATIC REVOLUTIONARY ALLIANCE (ARDE)
REVOLUTIONARY DIRECTORATE

Brooklyn Rivera B.
Miskito, Sumu and Rama Sandinist Unity (MISURASATA)

Alfonso Robelo C.
Nicaraguan Democratic Movement (MDN)

Eden Pastora G.
Sandino Revolutionary Front (FRS)

Responsible signature: Orion E. Pastora, Passport No. C049579

9925
CSO: 3248/1154

GOVERNMENT'S ECONOMIC POLICY SINCE 1979 ANALYZED

Managua BARRICADA in Spanish 18 Jul 83 p 3

[Text] Presentation.

Four years after the triumph of 1979 the economic situation of the country is complex, with a whole series of domestic factors such as the international economic and political situation weighing heavily upon it. At the same time, we must differentiate the objectives targeted by the revolution in the strictly economic field (national independence, social welfare, economic development and people's power in decisions and in management of businesses) with the sum total of limiting factors, i.e., the legacy of underdevelopment, backwardness and structural deficiencies which we inherited from the former regime, and further, the far-reaching world economic crisis which primarily affects Third World countries, the aggressive policy of the North American administration toward Nicaragua in blocking our sales, obstructing loans from international organizations, and perhaps primarily, forcing us to generate a war economy program so as to support the country's defensive tasks.

In previous issues of LUNES SOCIOECONOMICOS we have covered various national economy themes such as the foreign trade situation (No. 2), the Nicaraguan response to the crisis (No. 1), the economic significance of imperialist aggression (No. 8) among others.

In this edition we shall try to concentrate on the phases of economic policy (1979-83), production levels achieved in the main branches of the country's economy, and thirdly, make an evaluation of progress of changes in the field of proprietary ratios (advances in the cooperative sector, small industry, people's ownership sector), development of an infrastructure of roads and energy for providing power to production, agrarian reform and agroindustrial development. In other words, we shall try to concentrate on evaluating the degree of reconstruction achieved by looking within the broadest framework of socio-economic transformations achieved, those in progress and those planned in the short and medium term. Other relevant themes, such as foreign trade balance, fiscal deficit, supplies/shortages, capabilities and limitations of the mixed economy, will appear in future issues.

Phases of economic policy (1979-83)

In the development of the revolution's economic policy we can single out three major phases since July 1979. First, the phase from the second half of 1979 to mid-1981 made noteworthy by the effort to organize the new state administration and build up the people's ownership sector and which had, in a manner of speaking, some support from international financial institutions. This made it possible to deal at that moment with the serious structural and economic cycle problems inherited from Somocism which resulted in an acute foreign trade balance of payments crisis (i.e., the deficit outstanding between imports and exports). However, the refinancing of the foreign debt did go through, and this postpones certain obligations to the international bank.

--Until Late 1982--

Second, we have the phase which we might term one of growing hostility from the North American administration toward the Nicaraguan economy. As we know, both in cutting off its own loans or those from multilateral institutions and in market closure, the Reagan administration developed a broad range of attack on the Sandinist popular revolution. If in 1980 and 1981 positive rates of economic growth were achieved, in 1982 the totality of natural factors, Yankee hostility and the overall context of the world crisis (increasing deterioration of terms of trade, closure of markets) produced a drop in gross domestic product. Difficulties with hard currency caused obstacles for the normal supply of consumer goods, spare parts and equipment.

Lastly, the third phase now developing and which may have begun at the end of last year and the beginning of this one, corresponds to an economic scheme designed to deal with the war of direct aggression which the imperialists are building up against Nicaragua. This forces us to prioritize and earmark significant material and human resources for defense tasks. The aggression is shown not only on the commercial-financial level but also involves direct destruction of our productive capability and our own workers.

On another level, the development of our economic policy could be broken down into periods by viewing it through the achievement of a plan of investment in the more complex world market, less vulnerable to the United States in that in these four years a plan of international economic reactions was established with four blocs of countries: Latin America, the socialist community and social-democratic governments of Europe, and Arab countries, which permits us to deal with the violent world crisis and with North American aggression itself.

Another significant milestone is represented by the regionalization of the country which allows the decentralization of operating plans, which had been traditionally concentrated in Managua. In turn it creates conditions for more active and effective participation by the people in fundamental decisions. Another pertinent aspect, in turn, in the development of economic policy is the degree of deepening structural transformations in our economy. The first movement may be placed in steps taken with the very beginning of the

revolution: nationalization of foreign trade and the bank; formation of the APP based on property owned by the Somocists. This created the conditions for consolidating the economic independence of the country, making it less vulnerable to pressures from transnational companies and banks at the same time enabling the rise of a state economy with leadership capability in certain basic areas, fulfilling functions not within the reach of other socio-economic sectors of the country.

Reactivation of Production.

One of the objectives of the revolutionary economic policy was the search for recovery and broadening of production of basic goods, i.e., those earmarked for popular consumption, raw materials or export. In four years we are up against a complex situation. In certain categories of goods we are at levels of production and consumer availability above those preceding the victory, but in others prerevolutionary levels have still not been reached.

Taking into account the current importance of supply problems, emphasis must be placed on the difference between levels of production and levels of consumption. In fact, on some basic products, for example oil, soap and milk, production levels (supported by imports) are higher than those of 1977, both in absolute values and per capita availability. However, consumption per inhabitant has increased noticeably, which produces shortages.

In the primary sector, consisting of livestock, fishing and lumber activity, we find ourselves with varied situations, but in 1982 agriculture reached almost 90 percent of its traditional production; in fishing and lumber our production figures are somewhat below those of pre-1977. In particular in livestock activity, the significant decrease in beef cattle stocks during the war and smuggling in the direction of bordering countries reduced production in that line of business. In agriculture the product which is kept at lower levels is exclusively cotton since the remainder has already surpassed levels of 1977-78. It is noteworthy that the reduction in livestock and cotton-related production, along with unsatisfactory and unstable corn production has had repercussions on by-products, in that from cattle, aside from meat and milk, we obtain suet (for making soap) and hides, and from cotton we get seeds for oil and cake for feeding poultry and livestock, as well as the basic grains (corn and sorghum) which are vital for feeding poultry and hogs, which showed significant expansion during the revolution.

In the secondary sector, consisting of the manufacturing industry, construction and mining, overall is at a level approximately two-thirds of what it was before the revolution, on which the crisis in the industrial sector linked to the Central American Common Market, the significant dropoff in the construction industry and the closure of major mines because of depletion of veins and deterioration of machinery and equipment had their impact. However, within the industrial sector we may observe that in some businesses linked to popular consumption of levels of recovery are much more greatly marked, especially in food, beverages, tobacco, footwear and wearing apparel.

For their part, in the main production services--transportation, communications, water and electricity--we see that in the first we are at a level of recovery between 70 and 80 percent relative to 1977, and in the second we have succeeded, almost, in recovering traditional levels.

Hubs of Development and a New Economic Profile.

In this section we shall try to stress successes attained in the area of property relationships--public, social, joint and private--as well as hubs of development which in the middle term provide a new profile to the country's economy. The weight of the public sector in the aggregate of the economy has reached almost 40 percent of the gross domestic product. In the primary activities the impact of the APP is somewhat above 20 percent, in the secondary sector it reaches about 38 percent and in the tertiary activities (trade, government, services) 50 percent.

For its part, the effort to change the profile of the economy might be placed among three great projects of the Sandinist Popular Revolution: creation of a state and cooperative sector in agriculture, momentum toward a process of development in agroindustrialization and in general of industrial transformation of resources from the livestock, mining and fishing sector and creation of an infrastructure primarily in roads, energy and storage capability which can strengthen production capability. Parallel with this, a greater supply of machinery and equipment is provided for the livestock sector (tractors, harvesting and irrigation equipment) and machinery for the construction sector.

The intensification of agroindustrial processes is made obvious in the implementation of new skills, tobacco, intensively cultivated basic grains, vegetables, African palm, intensively administered stock raising; the extension of the roadway infrastructure enjoys its main success in the progress of the Rio Blanco-Siuna highway which makes possible a year-long land connection between the North Atlantic and the Pacific. We shall observe the real meaning of this work when we achieve the final defeat of counterrevolutionary activities and the broad area of North and Central Zelaya can be fully incorporated into national production.

In roadway activities of territorial integration we also have the construction of the Acoyapa-San Carlos highway. In turn, on the subject of alternative sources of energy, we have the Momotombo geothermal project which contributes to easing our dependence on hydrocarbons. Another significant aspect on the subject of infrastructure is the MASA project for increasing storage capacity of basic grains.

The economic tasks of the Sandinist Popular Revolution, first, are developing within a framework in which a very broad range of factors is present. Keep in mind that, on the one hand, we have the structural heritage of Somocism with its burden of backwardness, underdevelopment and structural deficiencies in the economy; second, the well-known world crisis which strikes so hard at the third world, placing "big" countries of Latin America such as Argentina, Brazil or Mexico at the edge of financial bankruptcy. Third, we have the

"special" policy of imperialist aggression which worsens already difficult international relations. Fourth, we can isolate the difficulties of being specific about a completely dynamic model of mixed economy if we take into account the apathy of factions of local employers or their slight predisposition to reinvest profits. Fifth, it might be mentioned that the revolutionary economic model presupposes that along with recovery and transformation of the economy, the workers' standard of living must be improved, which means that a significant part of the resources must be set aside for social expenditures in health, education, etc. Sixth, it might be pointed out that the plan for accumulation desired by the revolution and which the popular victory itself determined leaves aside the normal forms of operation of the previous model which presupposed overexploitation of the workers and subordination of the farmers to the most usurious forms of capital and landowners. Last, we have the incipient capability of the State in acquiring business management and overall orientation of the economy; i.e., a State which has to start from scratch against underdevelopment but in the first place its own underdevelopment, which means struggling against bureaucracy, low self-criticism capability, feudalism, lack of coordination, distrust of the capabilities of the masses in some instances, handicraft methods, overall lack of vision, etc.

These seven elements and others are factors which clearly complicate the task of Nicaragua's economic transformation, but the advances achieved in the consolidation of the APP sector, its investor thrust in agriculture, advances in infrastructure, the agrarian reform initiative, the joint investments with friendly countries, the broad relationships in the international field and the acquisition of hydrocarbons with Latin American countries show promising prospects for the middle term.

In all, the national-popular bloc, in particular the workers, farmers and laborers, labor union and political cadre, technicians, intellectuals, small and middle-level producers, housewives, students, militiamen, reservists, soldiers, must increase their concern for our economic problems and ways to solve them. The State cannot solve them alone, and much less magically. It is the organized masses who can wage these great battles against backwardness, misery and underdevelopment.

CHART NO. 1

RECOVERY OF PRODUCTION LEVELS (1977-82)

Sectors	1977	1982
Agriculture	100	90
Livestock	100	77
Fishing	100	66
Manufacturing	100	79
Construction	100	32
Mining	100	22
Water & electricity	100	98
Transportation & communications	100	72
Gross domestic product	100	72

Source: Central Bank of Nicaragua

CHART NO. 2

RECOVERY IN SOME BASIC PRODUCTS (1977-82)

	1977	1982
Rice	100	202
Beans	100	15
Pasteurized milk	100	170
Oil	100	143
Soap	100	187

SOURCE: MIDINRA & MIND

CHART NO. 3

APP PARTICIPATION IN NATIONAL ECONOMY (%) 1982

GDP	39.6
Agriculture	21.0
Livestock	18.5
Lumber	34.5
Hunting & fishing	76.6
Industry	30.7
Construction	92.3
Mining	100.0
Trade	32.2
Transp. & Communic.	40.0
Elec. & water	100.0

SOURCE: MIPLAN

9436

CSO: 3248/1153

BRIEFS

GOVERNMENT BILL--The National Association of Peruvian Journalists [ANPP], made it clear that only if the repressive forces' hostile actions against the opposition press stop will this organization be in a position to support the government's plan for press coverage of actions carried out by armed groups. On Monday, Peruvian President Fernando Belaunde Terry assessed the bill at a meeting with newspaper directors, to which representatives of opposition papers were not invited. In this respect, the ANPP stressed that the government's plan should be debated by all press sectors, without exception or discrimination. The association asked journalists to report actions by armed groups without exaggeration or sensationalism, but held that in return the government must ensure a genuine flow of information on the subject, without favoritism or privileges. In support of the ANPP position, it is noteworthy that Deputy Agustin Haya de la Torre said that Luis Morales, correspondent for EL DIARIO MARKA in Ayacucho, was arrested and mistreated by Civil Guards. [Text] [PA112035 Havana International Service in Spanish 0000 GMT 11 Aug 83]

SHINING PATH INFORMATION--The political-military command of the Peruvian south Andean region of Ayacucho has asked its inhabitants to report on any activities and persons connected with or preparing for subversive actions. A note issued by the command asks for the cancellation of the enrollment of students who are involved in actions by the Shining Path armed group, as well as for the dismissal of workers and the suspension of commercial licenses held by people with such links. Meanwhile, the newspaper MARKA, published in Lima, charged that its correspondent in Ayacucho, Luis Morales, was arrested and physically mistreated, along with journalists Amadeo Julian and Julio Perez from the newspaper LA REPUBLICA. [Text] [PA101250 Havana International Service in Spanish 0000 GMT 10 Aug 83]

COST OF LIVING INCREASE--According to the National Statistics Institute, the cost of living increased 7.8 percent in June 1983. Inflation during the past 6 months has reached 56 percent and the devaluation has surpassed 60 percent. [Summary] [Lima EL COMERCIO in Spanish 2 Jul 83 p 1 PY]

POSITIVE TRADE BALANCE--The Peruvian trade balance during the month of May had a surplus of \$49 million, as compared to the deficit of \$46 million during the same month the previous year. According to the report released in this regard, exports reached \$251 million while imports reached \$202 million. [Summary] [Lima EL COMERCIO in Spanish 13 Jul 83 p A-14 PY]

FOREIGN INVESTMENTS--Direct foreign investments in our country during period January to May increased to \$18.7 million. This amount corresponds to new contributions by joint foreign enterprises that operate in Peru, whose capitalizations have been authorized by the National Commission for Foreign Investments and Technologies. [Excerpt] [Lima EL COMERCIO in Spanish 3 Jul 83 p A-16 PY]

INTERNATIONAL RESERVES--Economy and Finance Minister Carlos Rodriguez Pastor stated yesterday that international reserves increased to \$1.15 billion. He added that this increase is due partly to the injection of funds obtained in recent operations with international banks in New York. He also said that according to current predictions, by 31 December 1983 the balance of payments will reach an encouraging equilibrium regardless of the small deficit recorded during the first half of the year. [Summary] [Lima EL COMERCIO in Spanish 7 Jul 83 p 1 PY]

CSO: 3348/618

BWIA REPORTS EARNINGS FOR FIRST HALF OF 1983

FL172236 Bridgetown CANA in English 2100 GMT 17 Aug 83

[Article by Ruid Williams]

[Text] Port-of-Spain, Trinidad, 17 Aug, CANA--Trinidad and Tobago's state-owned airline, BWIA International, earned 20 million dollars (1 TT dollar; 41 cents U.S.) in foreign exchange for the first half of this year, Managing Director Ian Bertrand has said here.

In a mid-year review of the deficit-ridden airline's performance, Bertrand said total airline revenue stood at 154.7 million dollars.

This was 12 percent below budget, but five percent better than the 1982 performance, he said.

The airline, which has been trimming costs to cut dependence on state funds, was now "well on its way to meeting its commitment," Bertrand said.

According to the managing director's report, an airline price war earlier this year on the U.S.-CARIBBEAN routes had not stopped BWIA from "just about" achieving budgeted operating results for the period January to June 1983.

The price war, which started when the Pan American Airline offered drastically reduced fares, was called off recently when Pan Am, in a radio announcement said its fares would be brought back to norm.

The airline has, however, warned that it would charge lower fares later in the year.

Pan Am's low fares from Trinidad to the U.S.A. were some 40 percent below the standard fares.

BWIA and other airlines met the competition by matching fares.

Bertrand said BWIA's operating loss for the first half of this year was 52.1 million dollars--two percent worse than budgeted, but 15 percent better than that achieved in the corresponding period for 1982.

CSO: 3298/1299

END